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United States & Canada

Article Views U.S. Panama Operation

HK1902091490 Beijing SHIJIE ZHISHI in Chinese No. 2, 16 Jan 90 pp 20-21

[Article by Zheng Jinlai (6774 6930 0171) filed on 4 January: "The Law of the Jungle: U.S. Invasion of Panama"]

[Text] While the world's military and political situations are gradually relaxing, the United States flagrantly and quite unexpectedly launched an invading operation against Panama at the end of 1989. It is reported that the operation has resulted in thousands of deaths and casualties on the part of Panamanian civilians, and Panama City, the capital, was under fire. General Noriega first fled into the Vatican embassy for asylum, but later walked out to submit to trial; and the Panamanian national defense forces finally disintegrated.... In this operation, the United States, as a big power, has brazenly interfered in the internal affairs of a weak and small country by force, and trampled on the basic principle of the international law: "no country shall exercise jurisdiction over any other countries or their peoples." The United States' act has thus aroused the indignation of the whole world.

A Blitz Operation

In the wee hours of 20 December 1989, soon after midnight, some F-117 stealth fighter-bombers, a new type of plane which was secretly developed by the United States, successfully kept clear of radar detection by the Panama national defense forces, sneaked into the country's territorial air like ghosts, and bombarded their selected target—the camp of two Panamanian infantry battalions in the town of Rio Hato southwest of Panama City. The air raid was followed by a series of offensives against various selected targets along four lines by a multi-service attacking force consisting of the U.S. mechanized forces, tank units, and the No. 87 infantry division. Meanwhile, a U.S. airborne division and infantry division which had undergone jungle warfare training started attacking and easily seized the dam and power generating network control center; and the marine and light armored car units took over in a joint operation the America Bridge, a communications center. A U.S. special detachment which arrived in Rio Hato subdued two of Noriega's guard companies very easily and captured 250 Panamanian soldiers. Another U.S. special detachment and an airborne mixed force took over Torrijos International Airport, blocked the bridge over the canal, and stopped the No. 2000 battalion which was rushing to reinforce the attacked Panamanian troops. It was quite obvious that the Panamanian national defense forces, which consist of only 15,000 regular troops, could hardly resist the fierce offensive by the U.S. Army, which was completely armed with modern equipment. Everywhere the U.S. troops arrived was on fire. After fierce fighting for a day or so, the U.S. troops finally occupied Panama City, captured Colon and some other important areas, and destroyed the headquarters of the Panamanian national defense forces.

This operation, named the "Just Cause Operation," was the most massive military operation launched by the United States since the Vietnam War. Involved in this operation were 13,000 troops stationed in the Panama Canal area, 7,000 commandos urgently airlifted from elsewhere, and some reinforcement troops rushing to the country afterward, all adding up to 24,000. And, for the first time, the new F-117 stealth fighter-bombers flew on military mission. The operation plan was drawn up by General Powell, chairman of the U.S. Joint Chiefs of Staff, and General Thurman, commanding general of the U.S. Army Southern Command; and personally approved by President Bush.

White House spokesman Fitzwater declared after the Panama operation that the United States wanted to fulfill three targets with this military operation: first, to catch Panamanian national defense force commander Noriega and bring him back to the states for trial; second, to protect the security of the Americans in Panama; and third, to safeguard the "democratization process" of Panama and the "integrity" of the Panama Canal Treaty.

Careful Considerations

In June 1987, the United States had manipulated three unsuccessful coups to overthrow Noriega. Bush said the failure to oust Noriega was the greatest setback he had suffered since he assumed the presidency. Thus it can be seen that this latest invasion was premeditated.

Since the failure of the mutiny launched by several colonels of the Panamanian National Defense Forces on 3 October last year, the Pentagon began to secretly augment troops and tanks, helicopters, and other military facilities in Panama, and conducted a series of rehearsal military exercises in the Panama Canal area.

The tension between the United States and Panama began to heighten in mid December. On 15 December, Noriega took up the post of chief of the Panamanian government and declared war against the United States. On 16 December, four U.S. military officers clashed with Panamanian soldiers in front of the Panamanian Defense Forces' headquarters and one of the U.S. military officers was shot dead. After that, the U.S. Army Southern Command upgraded its combat readiness from No. 4 to No. 3 alert. So the U.S. and Panamanian Armies were at daggers drawn. On the afternoon of 17 December, President Bush called a small-scale secret meeting of the top decision-makers to plan out an invasion operation against Panama. During the meeting General Powell put forth three programs: first, only the 13,000 troops stationed in the Panama Canal area under the U.S. Southern Command would be involved in the operation; second, some special troops would be sent to Panama to make a blitz raid to catch Noriega with the support of the U.S. troops stationed in Panama; and

third, more than 10,000 U.S. troops would be sent from the United States to join the U.S. troops stationed in Panama in launching attacks against all major military targets in Panama.

The participants in the meeting pointed out: Under the first program, the U.S. troops in Panama who are familiar with the local geographic conditions could easily capture the headquarters of the Panamanian National Defense Forces. But the Panamanian troops loyal to Noriega stationed outside Panama City would certainly strike back. And any protracted combat breaking out thereof would endanger the security of the Panama Canal. The second program has an advantage—the probability of success is high since special troops are brave and skillful in surprise attack. But this program may cause heavy casualties on the part of the civilians. What is more, it requires accurate information about Noriega's whereabouts, but, unfortunately, the intelligence department cannot provide a guarantee in this regard.

The very advantage of the third program is that it could ensure the instant destruction of the combat strength of the Panamanian national defense forces. But it would certainly evoke a fierce battle.

After careful considerations, Bush finally chose the third program. The U.S. military admitted that they had spent at least a few months working out the plan for the "Just Cause Operation" and had conducted field exercises.

It Was Not a Complete Success

The United States had concealed this invasion plan and all preparations had been carried out secretly. To mislead Noriega, Bush returned to the White House on 18 December, the day after the decision was made on the invasion, and worked in his office as usual. On the evenings of 18 and 19 December he even attended two Christmas parties in the White House as scheduled, entertaining guests and talking pleasantly with them. Bush was fully confident that this carefully planned major military operation would instantly bring Noriega back as a prisoner.

However, Bush's plan was unsuccessful. After all Noriega was not an easy fellow to deal with. He had always been on the alert against the Yankees. He intensified his guards team and moved to somewhere else after the U.S. troops in Panama had upgraded their alert. As a result, the U.S. troops on the mission to "catch Noriega" failed in several attempts. Noriega later escaped the roundup and sneaked into the Vatican embassy in Panama under the U.S. troops' very noses. So the United States had to surround the embassy with massive force while making presentations to the Vatican, forcing the latter to hand over the man.

The Prospects Are Uncertain

The Americans invaded Panama with a hidden motive. On the surface they declared they wanted to capture Noriega. But in fact their very purpose was to keep the Panama Canal linking the Atlantic Ocean with the Pacific Ocean firmly under their control. Economically, the canal is an important passage running from east to west. In 1988, a total of 13,441 ships loaded with 157 million tons of cargo passed through this canal, and the departure place or destination for 65 percent of these ships was the United States. Strategically, on the average, 100 U.S. warships pass through the canal each year. Incidentally, the figure did reach a record height of 1,500 warships a year during the Vietnam War. It was through this canal that U.S. aircraft carriers rushed to the Mediterranean Sea during the Beirut crisis in 1983—this sea route saved them 20 days in reaching the destination as compared with other routes. For this reason the United States would not readily give up its interests in this canal. However, the Carter administration had signed a new treaty with Panama, promising to hand over the canal to the Panamanians for management by 1990 and to return the sovereignty over the canal to the country by 2000. With the hope of repudiating this treaty, Reagan, who succeeded Carter, repeatedly attempted to overthrow Noriega under one pretext or another. But his attempts failed. Now Bush just could not accept the arrangement to hand over the management of the canal to the Panamanians during his office. So he finally took action, resorting to force under the pretext that Noriega was involved in drug trafficking and was trampling on democracy. Now Noriega's fate is still hanging, while the headquarters of his national defense forces was razed, his troops were eliminated, and the new Panamanian government headed by Endara was sworn in. After all, however, the Panama Canal belongs to the Panama people and the recovery of the canal is the goal of the Panamanians' long-term struggle. Would the Endara government compromise with the United States regarding the sovereignty of the canal?

Now the U.S. troops are still occupying major cities and strategic places of Panama. A couple of days ago U.S. Secretary of Defense Cheney told reporters: The U.S. Army just did what it should have done, and we are not going to leave the country in a hurry before we have finished our mission. Now that the United States' ultimate goal is to keep the Panama Canal in its hands, Noriega's fate will by no means be the most important thing. The question is that the struggle between the U.S. hegemonism and the Panamanian people who are fighting for their sovereignty and interests will continue. One thing we are sure is that the United States' interference in Panama will keep the country turbulent.

Political & Social

Tian Jiyun Attends Model Worker's Funeral

OW2002143790 Beijing Domestic Service in Mandarin 2230 GMT 15 Feb 90

[From the "News and Press Review" program]

[Text] According to XINHUA, a service to pay last respects to (Liu Yuqi), winner of the National May First Medal and woman cremator at the Babaoshan Funeral Parlor, was held in Babaoshan, Beijing, on 15 February. Over 1,000 people from all walks of life, including Tian Jiyun, vice premier of the State Council, attended the service.

Leaders Send Wreaths to CPC Member's Funeral

OW2102125790 Beijing XINHUA Domestic Service in Chinese 1105 GMT 17 Feb 90

[Excerpt] Beijing, 17 Feb (XINHUA)—A ceremony was held today to pay last respects to the remains of Comrade Xia Shangzhi, a prominent CPC member, a long-tested communist fighter, member of the fifth and sixth national committees of the Chinese People's Political Consultative Conference, director of the All-China Handicrafts General Cooperative, and adviser with vice ministerial rank to the Ministry of Light Industry's Arts and Crafts Company. Chen Yun, Peng Zhen, Bo Yibo, Song Ping, Chen Zhihua, and Zeng Xianlin sent wreaths to the memorial service.

Comrade Xia Shangzhi died of illness at age 82 on 19 January 1990. [passage omitted]

Wu Xueqian, Qian Qichen Attend Beijing Funeral

OW1902105190 Beijing Television Service in Mandarin 1100 GMT 15 Feb 90

[Text] [Video opens with shots of the late Comrade Qian Duansheng lying in state, followed by medium shots of Vice Premier Wu Xueqian, Foreign Minister Qian Qichen, and other mourners bowing to the coffin]

Comrade Qian Duansheng, an outstanding CPC member, noted political scientist, jurist, and educator, died of illness in Beijing at the age of 90. He served as member of the Standing Committee of the Sixth National People's Congress and vice chairman of its Legal Affairs Committee, as member of the Standing Committee of the Fifth National Committee of the Chinese People's Political Consultative Conference, and as member of the Standing Committee of the Central Advisory Commission of the China Democratic League.

Comrade Qian Duansheng was an outstanding patriotic intellectual. In 1949, against the advice of his friends abroad and with strong patriotism, he resolutely returned to Beijing from the United States. After liberation, he devoted himself to political, legal, and educational work. His death is a great loss to China's academic research and education.

Article Views Beijing's 'Special Supply Shop'

HK2102065090 Hong Kong WEN WEI PO in Chinese 21 Feb 90 p 3

["Feature" by Xiao Yu (5618 3842): "Secrets of 'Special Supply Shop' in Beijing"]

[Text] The "special-supply shop" in Beijing, which is widely rumored to provide services to senior leaders of the CPC, has, for so many years, been mysterious. After the "June 4th Incident," the CPC Central Committee and the State Council decided to do several things that the masses were concerned about, including the cancellation of "special supplies." What is the inner story of the "special-supply shop?"

Independent Accounting and Assumption of the Sole Responsibility for Gains and Losses

Going in the direction of the north from the Wangfujing Avenue, you find the busy area of Donghuamen and there is a quadrangle in which the "special-supply shop" is located. The so-called "special-supply shop" is what people usually call it, while its full name is the "Beijing Foodstuffs Supply Shop." Since the 1950's this supply shop has only rendered services to senior leaders at the level of vice premier of the State Council or above.

However, judging from the shop's turnover in recent years, the proportion of supply to senior leaders has only accounted for approximately one percent of the total turnover, because the shop's major functions are to provide foods for major and important national activities, foreign hotels and motels, overseas experts and students, and to foreign embassies in China.

By way of introduction, a certain assistant manager surnamed Qin said: The special-supply shop is the same as other state commercial enterprises in respect to keeping independent accounts and assuming a sole responsibility for gains and losses, but its customers are different.

Foods Are Sold at Market Prices

It is rumored that the foods are extremely cheap at the "special-supply shop." Maotai wine is priced at eight yuan per bottle. In fact, the foods supplied by this shop are priced according to the market prices confirmed by the Beijing Municipality Commodity Pricing Bureau, or according to tourist prices, which are higher than market prices. After the adoption of the seven measures to uphold honesty by the central authorities, the foodstuffs and oil supplied to senior leaders are obtainable with food coupons and oil coupons, and they are priced the same as those on the market. However, an additional volume of 750 grams of low-priced oil are supplied to

each account holder. Meat, sugar and eggs are supplied according to the rationed-supply price quotations for Beijing residents.

The present price-list shows: Maotai wine is priced at 90 yuan per bottle; "Red Mountain Tea" cigarettes at 35 yuan per carton; lean pork ranging from 4.7 yuan to 5.5 yuan per 500 grams; herring at 14 yuan per 500 grams; and chicken at 4.2 yuan per 500 grams. From this we see that the prices are roughly the same as the market prices, while some commodities are priced still higher.

Some relevant people said: How "special" the "special-supply shop" is becomes reflected in the following three aspects: First, it is special because it stresses safety: The source of commodities and the channel through which commodities are procured are all kept secret, and a special safety management system is in force. Second, it is special because it stresses hygiene: A special examination method is used which include the conduction of physical, chemical and biological examinations. Everyday, they take samples of directly imported foods for tests. Third, it offers convenience: There are some 500 varieties of foodstuffs at this shop and the special tastes of customers are satisfied where possible. For example, when Queen Elizabeth II was visiting China, she showed much interest in the traditional Chinese food treatment; then relevant people decided to offer the Queen half a kilogram of Chinese dates as a present for her use. They selected half a kilogram of choice Chinese dates from two gunny sacks from the "special-supply shop."

It Has Gradually Become Less Mysterious Now

Since the promulgation of the seven measures adopted by the central authorities, the turnover of the "special supply shop" has obviously dropped. Since August last year, the shop has placed stricter and stricter rules; purchases must be made with coupons and the amounts that can be purchased are limited. Although it still appropriately continues with its "special supply" to senior leaders, it is said that leaders within the scope of supply cannot take the initiative now. Besides, there has been a drop in the number of foreigners, therefore the "special-supply shop," which is situated at the busy area, appears to be less busy now, and it has gradually become less mysterious.

State Language Commission Outlines 1990 Work

OW1602183990 Beijing XINHUA in English 1427 GMT 16 Feb 90

[Text] Beijing, February 16 (XINHUA)—China's State Language Commission will focus on the popularization of China's common dialect, or Putonghua, and strengthening the standardization of the written language, according to Zhong Zheming, deputy director of the commission.

Zhong made the comments at a national telephone conference held by the commission today. He said the popularization of Putonghua should focus on the classroom while paying enough attention to society as a whole.

The standardization of the written language should focus on the characters used in film and television, place names, and characters used in the busy sections of large and middle-sized cities, he added.

The work of the State Language Commission in 1990 will also include the drafting of an over-all program for the next 10 years, strengthening scientific research in linguistic theory and related policies, and strengthening linguistic propaganda and publication work.

Liu Bin, director of the commission and vice-minister of the State Education Commission, said the work of popularizing the standard dialect is a fundamental task related to economics, culture and politics, and may have a great impact on Sino-foreign exchanges and the development of science and technology.

Liu said if a country with a population of more than one billion does not have a common language, its economic development and social life are bound to be affected. He said language standardization is an arduous and urgent task and he called on the masses to make great efforts for the standardization of the language.

Article Compares Bourgeois, Proletarian Rights

HK1602082090 Kunming YUNNAN RIBAO in Chinese 5 Jan 90, p 3

[Article by Theoretical Study Group with Xiang Xiang (0686 5046) doing the actual writing: "Evolution of Human Rights Issue and Its Essence"]

[Text] [Editor's note] In 1989, between spring and summer, there occurred in the capital, a political turmoil and counterrevolutionary riot. Some people, who had advocated bourgeois liberalism, used the "human rights" issue as their "banner" to wave around. They vaunted themselves as "human rights warriors." After the riot was quelled, a few western countries used the "human rights" issue as an excuse to interfere in Chinese domestic policy and to establish "sanctions" against China. Are these countries really defending human rights? What is their real scheme? [End editor's note]

I How the Human Rights Issue Was Brought Up and its Historical Evolution

If we take a look back at how the human rights issue was raised in the history of human ideology, it will help us understand the issue properly.

In the past, Mencius said in his "Jinxin, second section" that "People are most valuable. Afterward comes the state. The emperor is the least important." We could say that Mencius' words were the very beginning of the idea of human rights. During the European Rennaisance, some humanists and great artists challenged the church and theocracy from different angles. They attacked

asceticism, exposed the monks and royalty for their hypocrisy and their sins, and begged everyone to pay attention to people rather than to God. They studied human needs and values, and uplifted the status and dignity of human beings. These humanists also sang and praised human greatness, encouraging people to liberate their individuality and have their own free will. This clearly touched upon a different side of "human rights." During the 17th century, the English thinker John Locke went a step further. He described the "natural condition" of the beginning of human society and used the term "natural rights" to explain systematically and idealistically, the idea of "human rights given by God"—the right to live, to be free, and to own property. Locke also included the right to agree with the government and the right to revolt when the government betrayed the trust of its people. Locke's school of thought had a great influence on the people after him. Many historical documents on human rights can be traced back to his thought. Rousseau, Jefferson, and Paine, inherited directly from Locke's ideas to develop their own human rights theories. These three thinkers, Rousseau of the French Enlightenment, and Jefferson and Paine of the American War of Independence, all considered that people were born free and equal. These were fundamental rights given by God, and were "inalienable." From the standpoint of social contract and God-given rights, they fully explained and elaborated the idea of people's sovereignty. Paine especially emphasized civil rights as being "the rights of a person as a member of society." On the whole, the capitalist class raised the human rights issue to fight against feudalistic privileges established during the Middle Ages—the power of the church, monarchical power, and "the divine right of kings." The human rights issue dealt the medieval ideology of the caste system a heavy blow. As a human rights theory gradually developed, the capitalist class talked about the important principles of human rights—liberty, equality, property, and personal security. This helped build the ideological foundation of the capitalist democratic revolution against fedualism.

The American Declaration of Independence and the French Declaration of Human Rights are two important documents of the bourgeois revolution, that address the issue of human rights. In 1776, the 13 states of North America at their Second Continental Congress made their Declaration of Independence. They announced that they would no longer remain under British rule. This was the first time that the theory of human rights as God's gift was written in a constitutional document. The individual rights of liberty, equality, life, and the pursuit of happiness, were secured in legal terms. The French Revolution was a more profound and complete bourgeois revolution than the English revolution, or the North American War of Independence. The Declaration of Human Rights legislated at the constitutional conference on August 26 1789, had a much larger impact. The Declaration of Human Rights became the Prologue of the French Constitution. It was written in the definite terms of national basic law to establish that human rights are opposed to feudalist privileges. The second item of the constitution briefly and concisely described the content of bourgeois human rights: "The purpose of political union is to defend the rights that are nature's gift to man, and to insure that they are not infringed upon. These rights include liberty, property, security, and the struggle against repression." Later in 1791 and 1793, the French Constitution took another step to make a detailed list of human rights that included the basic rights of equality, liberty, security, property, religion, and freedom to publish and associate. This could be considered as a classic declaration of bourgeois human rights.

From the point of historical development, the emergence of the human rights issue was the necessary and progressive result of the social background, and revolution of the capitalist class. The targets of the movement were divine and monarchical power. This movement also attacked and exposed the feudal class system that destroyed human character and crushed man's basic rights. Its issue evoked people's anger towards the feudal class system and encouraged people to pursue freedom, equality, liberated individuality, and personal happiness. People were drawn to fight against the feudal class system because it got in their way. Beautiful words were used to describe the blueprint of the future capitalist society as a society that transcended classes, so that as many people as possible would be mobilized to take part in the bourgeois revolution. At any rate, the theory of human rights was an ideological weapon for the bourgeois revolution. The raising of the human rights issue gave ideological foundation to the bourgeois revolution, and was an important and progressive force in history.

But the human rights endorsed by the bourgeois theory as "God's gift to man" are nothing but fancy talk or fiction. The theory does not keep up with how human society developed. Rights do not come with birth; they can only be earned. They are the products of a certain time and certain society. History is concrete. It does not transcend time or class. It is not abstract. The abstract notion of "human rights as God's gift to man" was useful in uniting more people behind the bourgeois revolution; it became a lie when the bourgeoisie ruled. The capitalists themselves took away all basic rights belonging to the workers. At the same time, the bourgeois theory of human rights particularly favored the issue of private property ownership. Item No. 17 of the French Declaration of Human Rights says: "The right to own property is a sacred and inviolable right. Unless there is an obvious public need, a legal procedure is observed, and the owner is given a fair compensation in advance, this right should not be taken away." This regulation held a special place when capitalism was conceived, and the capitalist class was on the rise. It protected the vital benefits of the up-and-coming capitalist class. But for the proleteriat, who owned nothing, the regulation had no meaning. After the bourgeoisie obtained political power, property ownership became their right to control and squander recklessly; to suppress and exploit cruelly, the blood and sweat of the working people. To explain the situation,

Marx went straight to the point: "The right to private ownership is the right to wantonly spend and manage one's own property, and society cannot control this action. This right is a selfish right." [Footnote 1: The Complete Works of Marx and Engels, vol 1, p 438] As for the property of capitalists, the proleteriat had no right to manage or exploit it. The human rights theory during the bourgeois revolution included the right to fight against feudalism and repression, and the right to pursue happiness. Later on, the French Constitution did not mention the right to fight against repression, but instead emphasized the right to security. This so-called "security" actually meant stopping any revolution or uprising, or any violation against the capitalist class and their property. If the proleteriat did rise to fight against repression and to fight for personal happiness, they would be mercilessly crushed by the capitalist government. There would be no talk of human rights. What happened during the 1848 June rebellion in Paris, or the shedding of blood during the Paris Commune are good examples. During the June rebellion, over 11,000 workers were slaughtered; 25,000 workers were jailed or exiled. After the Paris Commune failed, "the Versailles thugs treated the captured warriors, women, and even children most brutally and terribly. Anyone who had participated in the fight, anyone whose clothes had marks indicating he had carried a gun, or anyone who just looked like a worker, was executed immediately. At La Force Prison, 1,900 were killed in one day. 100,000 people were killed, jailed, exiled, or deported." [Footnote 2: World History, Contemporary section, 2d vol, p 24] So, behind the slogan of bourgeois human rights theory—"liberty, equality, and fraternality"—all capitalists and their rulers were cruelly crushing "liberty, equality, and fraternity." Liberty, equality, and fraternity became an extravagance for the privileged capitalists; the slogan was thus a facade. Capitalists would never give any of their privileges away to working people. Working people did not have a chance to enjoy these highly-priced rights—politically, economically, or culturally. "The Condition of the English Working Class" by Engels, and "Contract Workers" by Xia Yan [1115 5888] illustrate the tragic situation of the working class in both the East and West.

We must emphasize that the problem of the nature of class has always existed in the issue of human rights. At the time the capitalist class was fighting for its rights, it committed the evil deeds of slaughtering Indians and trading black slaves. In 1607 England set up its first North American colony in Virginia. In 12 years, all the original Indian residents were killed. The colonists would even pay high prices for Indian scalps: They rewarded for each scalp, 100 English pounds up until 1720. This savage behavior transformed Indian regions into killing fields; not even children and women could escape. After they robbed the Indians of their land and wipped out their population, the colonists went to Africa for black slaves to be traded in America. The trading became a most profitable "business." Portugese, Dutch, British, and French, on after another, took part in the slave trade. For three centuries, there were more than 15,000,000 slaves shipped off to America. During the slave hunting season, it was not unusual for a whole African tribe or race to be eliminated. At least 40,000,000 kidnapped slaves died during their voyages because of cruel treatment, abominable food, contagious diseases, and the extremely crowded conditions on board the ships. As the result of the slave trade, the whole African continent lost a hundred million people; but the European countries, particularly England, made a large amount of money. As Marx said in "Das Kapital," the slave trade was an important pre-requisite for the rise and development of capitalism in Europe. During the 19th century, in the 1830's, British and American businessmen smuggled large amounts of opium into China, so they could rob and kill Chinese. Later, they proceeded to use cannon and naval ships to open China's door. They forced the Qing government to cede territory and pay indemnities. They defeated the Boxer Rebellion and burned the Yuan Ming Garden. They would never talk human rights to Chinese people. For this Marx angrily denounced the West: "Innocent residents and decent businessmen in Guangzhou were tragically murdered. Their houses were burned to the ground by the gunnery. Their human rights were violated. All this was done under the absurd pretense that "Chinese provocative action endangered English lives and property. The British government and people—or at least those who wanted to clarify the issue—understood the hypocrisy and the groundlessness of the pretense." [Footnote 3: The Selected Works of Marx and Engels, vol 2, p 14] Now that the Western developed nations have accumulated a large amount of wealth and have become countries of high consumption and welfare, the situation under which capitalist rulers ignore the fundamental rights of workers remains the same. In the United States, there are now 3,000,000 homeless people; most of them blacks. The unemployment rate among black people is two times higher than that of white people. The American government still uses suppressive methods against the black people's revoluts. In September 1957, the black people in Arkansas fought to have an equal opportunity to go to school; the American government used force to strike them down, and created the 'Little Rock Incident' that shocked the world. In July 1964, several thousand black people in Harlem, New York City, protested against policemen killing innocent black children. The government sent several thousand policemen to suppress them. The riot lasted for six days and nights. In August 1965, in Watts, Los Angeles, blacks protested the unjust arrest of black youths. The government sent 20,000 policemen, who for 10 days and nights, tried to put down the protest with guns. In April 1968, American black civil rights leader Martin Luther King, a believer in non-violence, was killed by a white racist. Also, the issues of apartheid in South Africa and the homeless Palestinians, are human rights issues that the whole world is concerned about. Yet behind the scene, America supports and condones the racists. It is clear that to some Westerners, the call for human rights is a selective act. In their minds, there shouldn't be any human rights for

working people in their own country or in the world, and in particular, none for the people of the Third World.

We should pay attention to the fact that after World War II, because of the general hatred of war and aversion to facism, the human rights issue attracted worldwide attention. On December 10, 1948, the United Nations adopted the "Declaration on Human Rights." Some western countries however, have tried every method in the book to use the human rights issue to interfere with other nations' domestic policy by applying "economic sanctions." The fact that imperialism uses the human rights slogan to interfere with other nation's domestic policy, is a reactionary action against the "Declaration on Human Rights." This became a new essence in international relations after the War. Some westerners have long been plotting political subversion, peaceful evolution, and victory without war, against socialist countries in the East. They put their hopes on a few democratic individualists. They support these individuals by giving them financial aid and creating rumors in the media. They built up their positions by making a lot of noise. When their schemes do not work, "asylum" will be offered to these "democratic individualists." At the same time, in the name of human rights, they execute economic "sanctions" and use military threats. In reality, what they are doing is showing their contempt of sovereignty, and collective human rights for other nations. They act against the basic principle of the United Nations Constitution. They have demonstrated that the "human rights" mentioned by some westerners have gone through qualitative changes and have no progressive meaning any more. Thus, the Dalai Lama, the representative of the evil serf system, is now a "hero" defending "human rights." Those who have risen from serfdom and become their own masters are now the "bad guys" who despise human rights. Those who have incited riots and been involved in beating up and robbing people, destroying and burning property, are now "human rights warriors" in western eyes. These people are still crowing about the asylum provided for them, and are still attacking the people's government. The government that has put down riots and is leading its people to diligently build up the country, is considered an object for "sanctions", and a target for verbal abuse. There cannot be a greater confusion of right and wrong than this.

II To Those Who Avocate Liberalization, the Essence of "Fighting For Human Rights" is to Oppose People's Democratic Dictatorship

Marxism considers human rights the most general form of rights; that is to say: "The rights of each member of a residential society." (Marx's words) According to our national law, human rights mean the rights of ordinary citizens. The constitutional definition of citizen's rights in each nation is approximately the same: Life, liberty, equality, ownership, self-defense, and so on. But the proletariat has a different theory of human rights. To them, human rights are shaped by history, rather than given by God. Human rights are not universal and do not transcend class. They are specific and defined by class structure. Human rights do not constantly stay the same; they progress to suit different times and places. Obviously, the Marxist viewpoint of human rights fits with the facts of human history. It is based on a scientific observation of human rights. We use the Marxist theory of human rights as the foundation to formulate laws and regulations related to human rights. Marxist human rights theory is guided by historical materialism; this is opposite to the abstract theory of bourgeois human rights, which transcends class and is alienated from the concreteness of social history. At this point, if we want to protect the human rights that belong to the proletariat and working people, we must insist on proletariat dictatorship. Our people have gone through a great deal of suffering and understand what is at stake.

Before liberation, our working people were not guaranteed even the most basic citizen's rights. They were powerless politically, economically, and culturally. Chinese working people suffered from terrible economic exploitation and political suppression. They lived in extreme misery, and didn't even have the fundamental right to live. "Gun Di Lung" from north of the Suzhou River in Shanghai; the rent collecting court of the Liu Wencai Manor in Sichuan; the containers made of human skulls that were used by Tibetan serf owners; and the wooden shackles used by slave owners in Liang Shan—these are living examples of instances in which workers did not have their basic human rights. When half of China was in a colonial state, imperialists fought with each other to section it off into spheres of influence. Concessions became countries within the country, and were not under Chinese legal control. Foreign battle ships ran amok on our rivers. American soldiers' leather boots trampled on our ancient land. The sign that said "Chinese and dogs not allowed" was displayed at the gate of a public garden. Women college students were raped on the streets in Beijing. American imperialists were behind the KMT reactionaries who instigated civil war against the people. No courageous Chinese would ever forget any of these historical facts or tragedies. It was the Chinese Communist Party that led all of the people to overthrow the oppression of the "Three Big Mountains." Imperialism was defeated. The reign of feudalism and bureaucratic capitalism was overthrown. The new democratic China was led, not a moment too soon, towards socialism. Our national political power based on people's democratic dictatorship was safely established.

As a matter of fact, the western bourgeoisie do not have a patent over the beautiful terms of liberty, democracy, and human rights. The proletariat, the oppressed, and workers, not the bourgeoisie, are the ones who really understand and fight for the values of liberty, democracy, and human rights. The establishment of our national system of people's democratic dictatorship is the result of several decades of difficult struggle by our people with the Party's help. This system is the best that guarantees the working people their basic rights. Mao

Zedong had an explanation of people's democratic dictatorship: "People's democratic dictatorship means combining democracy for the people and dictatorship for the reactionaries." [Footnote 4: Collective Works by Mao Zedong, combined vol, p 1364] To be a dictator toward those who are hostile to the people and those who are criminals, is to protect the democratic rights of the masses. If the hostile elements and criminals are allowed to do whatever they want, then the majority of people will in fact, have no basic rights to speak of. After the People's Republic of China was founded, gangsters were eliminated, tyrants were defeated, counterrevolutionaries were suppressed, and land reform was implemented. To promote social stability and economic recovery, agriculture, handicrafts manufacture, and capitalistic industry and business were reformed according to socialism. The establishment of public ownership of the means of production assured that the majority of people would be provided with the basic necessities of life. This was the groundwork upon which the system of the people's congress was built. People have the right to vote and to be elected. They have the opportunity to exercise their democratic rights as masters. As one can see, to the majority of our people, the establishment of people's democratic dictatorship and the realization of human rights have come from the same course. This course was at times winding or faulty. At different times and in different places, citizens were deprived of the human rights to which they were entitled. But we must not that these things happened when the socialist legal system was sabotaged. A calamity such as the "Cultural Revolution" caused great damage to the party and the people. But this was only a local and temporary countercurrent, not the main stream or normal state of Chinese socialism. The situation was later corrected by the Chinese Communist Party and the people's government. Engels said: "A great class and a great race are alike: They learn much faster from the result of their own mistakes." [Footnote 5: The Complete Works of Marx and Engels, vol 22, p 325] After the Third Plenary Session of the 11th CPC Central Committee, the party has improved its own democratic life. It thoroughly reinforced the structure of democracy and the legal system. The party showed matureness when it announced explicity, that there will never be any political movement to hurt the cadres and masses. Our constitution defines what rights and duties our citizens are entitled to, and our national system insures that these rights are implemented. Internationally, our country suggested and followed the five principles of peaceful co-existence. In 1982, China became a member nation of the UN Human Rights Commission and signed several Human Rights Treaties. this showed that the human rights issue is taken seriously in our country. Our party and government have carried out many policies to insure the masses of their basic rights.

Yet the people who advocate bourgeois liberalism, continually ignore basic historical facts. They clamor nonstop over the human rights issue and use the fight for human rights as their slogan. Fang Lizhi said: "The long term goal of Chinese intellectuals striving for democracy, is a democratic multiparty system. The short term goal is the materialization of essential human rights. I believe the first step is to fight for human rights." [Footnote 6: HONG KONG TIMES, Sep 6 1988, and Fang Lizhi's talk with a reporter for the CHINA TIMES, Taiwan, Feb 23 1989] The big gesture these people took as the first step, was to start a signature movement to ask for the release of Wei Jingsheng. Wei Jingsheng is a criminal. He was arrested and sentenced to jail because he leaked national secrets to foreigners. The real reason behind the request for Wei Jinsheng's release was to put pressure on our party and government. These people wanted to create ideological confusion, and find a breakthrough through "human rights." During the turmoil and counter revolutionary riot, some schemers used the human rights issue as a heavy bomb, and threw it at the party and the people's Government. They hollered: "Strive for Human Rights" as their slogan; and dressed themselves up as "human rights warriors." They were triumphant for quite a few days. Their goal was to overthrow the communist leadership, abolish the people's democratic dictatorship, and destroy the socialist People's Republic. It was obvious what their intentions and plans were.

Why did the advocates of bourgeois liberalism painstakingly choose the human rights issue as their breakthrough? There are reasons for this. First, in the past political movements, some comrades, people, and intellectuals were assaulted or mistreated one way or other owing to some wrong, "leftist," intention or policy. Intellectuals are particularly sensitive to emotional injury. The advocates of bourgeois liberalism thought that if they picked the human rights issue, it would be easier to gain the sympathy and support of intellectuals. They would call themselves representatives of intellectuals and act as if they were "pleading for the people." They could fool others, bewitching and inciting them. Second, after World War II, some western countries dressed themselves up as the defenders of human rights so that they could get their hands on other nations' domestic policies. They voiced their support and supplied financial aid to "dissenters" or opposition parties in other countries.

Advocates of liberalism raised the human rights issue to prove that they were "democratic individualists" and "dissenters." Then, they could get the support of international capitalist power and work on their plan to build a capitalist republic. Third, in the past we did not vigorously advertise proleterian human rights or seriously carry out education concerning the Marxist theory of human rights. We did not teach Chinese and world revolutionary history too well either. Many young students did not understand the historical background and evolution of human rights. When the advocates of liberalism raised the human rights issue, young people were bewitched, and their sympathy was aroused. The youngsters' blind passion and impulsiveness were used by some people as the chips to bargain with the party and people's government. Fourth, among some of our cadres

and party members, there was decadence and a feeling of malaise-concerning the people's fundamental rights. This provided an excuse for the schemers. Besides, socialist democracy and legal system are still in the growing process and need improvement. It will be difficult to eradicate all undesirable situations right away; the securing of a worker's entitlement to basic rights is still going through an experimental stage. All these reasons could easily be used as "ammunition" by some people to attack the party and the people's government.

During, and after the time China tried to calm down the turmoil and suppress the counterrevolutionary riot, some western propaganda mechanisms pounced on China for trampling on "human rights." But, in fact, who wantonly trampled on human rights and who actually defended human rights? We can judge from the past turmoil and counterrevolutionary riot. Some people used "striving for human rights" as their excuse, but in fact, totally violated democratic principles and legal rules. They instigated tens of thousands of people to rally and gather on the streets. Traffic was interrupted. Vital departments of our country could not carry out normal work and daily industrial production was impeded. These people were "free," but the rest were deprived of their rights to work or to be educated. Some even had their right to live threatened. Beijing and other big cities were damaged beyond estimation. Also, several thousand students were incited to fast. Every day some passed out or went into shock. The lives of these fasting students were in danger. But the students were used as hostages in order to threaten the government. These people ignored the lives of several thousands students in order to accomplish their unspeakable political ends. Some people gathered together the scum of society to set up road blocks, destroy government offices, and violently attack military police and troops who were enforcing martial law. In a few days, more than 1,280 motor vehicles were destroyed. Over 6,000 marshall law enforcers, military police, and security police were beaten and injured; some were killed. Some of the martyrs had their stomachs slashed open and eye sockets taken out. Their bodies were exposed in the open. After the incident died down, some people invented reckless rumors about the "bloodshed of Tiananmen" to viciously attack the government and the military. Like servile slaves, they begged the western world to take sanctions against China, and dreamed that this would bring down China and its people. The above-mentioned facts illustrate that the small group of counterrevolutionaries were the ones who trampled on human rights. On the other hand, in order to calm down the turmoil, the party and government worked extremely hard to defend the rights of the masses; to sincerely educate and protect the students. It would be difficult to find any government elsehwere that would behave in such a tolerant and controlled manner. With the help of the Beijing City Government, the Red Cross and others brought in more than 100 ambulances, transferred several hundred medical staff, and organized 52 hospitals to prepare almost 2,000 sick beds, to keep up the health of the fasting students. The government, by different means, provided the students with drinking water, food, medicine, straw hats against the sun, and bed covers to keep them warm. The government also had to overcome many obstacles to provide citizens with daily necessities. After the incident was quieted down, those who had committed criminal activities such as beating, smashing, robbing, burning, and killing people, were sentenced according to the law. This is a necessary procedure to defend human rights, so that the majority of people can enjoy their rights normally. Locke once said: "Everyone has the right to execute a murderer, so that an example can be set to stop others from committing the same irreversable and damaging action; and also to protect people against assults by criminals." [Footnote: The Declaration of Human Rights, QIUSHI Publishing House, p 125] Democracy and law, freedom and discipline, rights and duties, all these are inseparable entities in any country at any time, China included. Montesquieu once said: "Freedom is the right to do anything within the law. If a citizen can do things forbidden by law, then he is no longer free." Unless a person is biased, he should be able to see that the Chinese government behaved impeccably; even if he sees things from a Western point of view. Therefore, we believe a people's democratic dictatorship does not conflict with the defense of human rights.

"Human rights warriors" want a breakthrough by means of the human rights issue so that their scheme will succeed. They are doomed to failure.

Article Views Multiparty Cooperation

HK2102122490 Hong Kong LIAOWANG OVERSEAS EDITION in Chinese No. 6-7, 12 Feb 90, pp 3-4

[Article by He Yanping (0149 4291 1627) and Tong Yan (4547 7346): "New Steps Taken by the CPC in Persisting in and Improving the Multiparty Cooperation System"]

[Text] "The CPC Central Committee Opinions on Persisting in and Improving the Multiparty Cooperation System" has been published in the first spring of the 1990s. That is the CPC's new measure for persisting in and improving the multiparty cooperation system as well as a major event in China's political life. For this occasion, this journal's reporters have interviewed the responsible persons of the CPC Central Committee United Front Work Department. They discussed how the document came into being and relevant issues.

How the Document Came Into Being

How to persist in, complete and perfect the multipary cooperation and political consultation system under the CPC leadership has been an important topic in China's political structural reform. The CPC Central Committee has attached great importance to this, while various democratic parties, the All-China Federation of Industry and Commerce, and non-party personalities have also shown great concern over the issue, and made many suggestions. According to Deng Xiaoping's instruction,

an ad hoc group was founded in mid-January 1989 to be responsible for the formulation of the plan for democratic party members participating in government and implement the supervising function. This ad hoc group consists of the leading members of various democratic parties, and responsible persons of relevant departments under the National People's Congress (NPC) Standing Committee, the State Council, the National Chinese People's Political Consultation Conference (CPPCC), the CPC Organization Department, Propaganda Department, and United Front Work Department. Through discussions on several occasions, this ad hoc group wrote the first draft of the document in May 1989. But the political storm at the turn of spring and summer last year halted the work for a while. Later, several important revisions were made in accordance with the spirit of the Fourth and Fifth Plenary Session of the CPC 13th Central Committee, and the relevant instruction by CPC Central Committee General Secretary Jiang Zemin. During that process, relevant CPC departments and comrades from various democratic parties participating in the drafting of the document offered many suggestions and opinions. Then the draft was submitted to the CPC Central Committee for discussion, and work on soliciting opinions from various democratic parties began in mid-December 1989. The CPC Central Committee trusted Li Ruihuan and Ding Guangeng to formally solicit opinions of leading members of various democratic parties on 26 December 1989. With General Secretary Jiang Zemin presiding, the Central Committee Political Bureau Standing Committee held a forum, inviting the particpation of major leading members of all democratic parties, All-China Federation of Industry and Commerce, and representativs of non-party personalities, and the participants expressed their approval and support of the document. We may say that this document was formulated in the joint study of various democratic parties under the CPC Central Committee's leadership. The guiding idea of the document is to further bring into play the role of democratic parties in participating in and discussing government affairs and democratic supervision, to complete and perfect the multiparty cooperation and political consultation system under CPC leadership.

The document in question consists of five chapters. Its preface serves as a generalization of the role and characteristics of the multiparty cooperation and political consultation system under the CPC leadership, and stipulates the political groundwork and fundamental principle of the common tasks and cooperation of the CPC and various democratic parties. Following the preface, stipulated in the form of clauses are the cooperation between the CPC and various demoratic parties; giving play to the role of democratic party members and non-party personalities in the People's Congress; recommending democratic party members and non-party personalities to leading government posts at various levels; and giving play to the role of democratic parties in the CPPCC, and augmenting the building of democratic parties themselves.

Regarding the Place of Democratic Parties

The place of democratic parties has all along been an issue of universal concern. The document in question has for the first time made explicit the important issue of democratic parties being political parties participating in government. Wordings of the issue in the document read: "The CPC is the core of leadership of the socialist cause as well as the party in office. All democratic parties are political leagues that have ties with some socialist workers and patriots supporting socialism, accepting CPC leadership, and are political parties participating in government, cooperating and working with the CPC in all-out and concerted efforts for the socialist cause as close friends of the CPC." The document has clearly defined the concept of "politically participating in government."

From the very beginning, this document has explicitly pointed out: "The multiparty cooperation and political consultation under the CPC leadership is China's basic political system." A basic political system means that it is a long-term, stable system. In this way, the important place of multiparty cooperation and the political consultation system under the CPC leadership in China's political structure is made explicit.

On Persisting in the CPC Leadership

Two main lines run through this document. One main line is to augment and improve the CPC leadership. The four cardinal principles must be adhered to in China's multiparty cooperation; that is the political groundwork for the CPC cooepration with various democratic parties, and the basic political principle in persisting in, completing and perfecting the system. This is totally different from the multiparty system or biparty system of Western capitalist countries. It is imperative to draw a demarcation line between socialist, and capitalist democracy.

The document stipulates that the CPC leadership of democratic parties is one of political leadership. Political leadership is the "leadership in political principle, orientation, and important principles and policies." Such political leadership is realized chiefly in the ways of democratic consultation and ideological and political work. Party committees at various levels under the central authorities should augment and improve leadership of democratic parties, support and further develop cooperation with democratic parties, support them and give full play to their active role. Responsible persons of party committees at various levels under the central authorities should earnestly lend their ears to the opinions, criticism, suggestions from democratic parties, to help improve party and government work. They should sincerely help democratic parties in their work in matters of principle and policy in accordance with the spirit of mutual supervision. Only then, will it be possible to continously consolidate and develop the unity and cooperation between the CPC and democractic parties.

The document has also pointed out that the CPC supports democratic parties to handle their internal affairs by taking the initiatives in their own hands. All democratic parties are legitimate Chinese political parties, and they enjoy political freedom, organizational independence, and legal equality as their rights and obligations as stipulated in the constitutions. It is imperatiave to show respect for democratic parties in handling their own internal affairs by taking the initiatiaves in their own hands, their organizational independence, and the relationship betweeen the superior and subordinate inside democratic parties, and the CPC should refrain from taking on the internal affairs of democratic parties that ought to be taken care of by themselves.

On Giving Play to the Role of Democratic Parties Participating in Government and Supervision

Another main line that runs through this document is to give play to the role of socialist democracy and the role of democratic parties.

The document stresses that "all democratic parties are important channels that reflect people's opinions." To give full play to the role of democratic parties in participating in government and supervision is of important significance to augmenting and improving the CPC leadership, pushing foward the building of socialist democratic politics, maintaining the lasting stability of the state, and promoting the development of the undertakings of reform, opening up, and modernization. The document also stipulates the basic point of democratic parties participating in, and discussing government affairs, and the general principle of bringing forward their role of suipervision. The document has made specific stipulations by combining with the present actual conditions.

For example, the document has set forth the need to guarantee appropriate proportions of deputies from democratic parties and non-party personalities to the leading organs of the People's Congress and the CPPCC at various levels. The document also sets forth that "it is imperative to adopt down-to-earth measures to select democratic party members and non-party personalities to leading posts of the State Council and its relevant ministries and commissions, and governments at and above county governments and their relevant departments." These stipulations are all for giving greater play of the role of democratic parties in participating in government of supervision.

At the same time, the document has pointed out that "people's deputies from democratic party members, and non-party personalities conduct their activities in the capacity of people's deputies in accordance to the 'Constitution,' and such laws as 'the NPC Organization Law,' and 'NPC Rules of Procedures.'" In other words, their activities in the People's Congress should not be conducted in the capacity of their political parties, and they should refrain from pursuing parliamentary party groups.

The document, "The CPC Central Committee's Opinions on Persisting in, Competing and Perfecting Multiparty cooperation and Political Consultation Under CPC Leadership" is the crystal of the experiences of the long-term cooperation between the CPC and democratic parties, and the criteria for the cooperation between the CPC and democratic parties. The formulation and implementation of the document are an important step in pushing forward China's political structural reform as well as a sharp weapon to oppose bourgeois liberalization, and the "peaceful evolution" of international antagonistic forces. The document possesses great and far-reaching significance in giving greater play to the active role of democratic parties in national political life, uniting personalities of all circles, consolidating and developing the united front, stabilizing the domestic political situation, developing socialist democracy, and legal system by giving full play to our characteristics and advantages under the prerequisite of adhering to the four cardinal principles.

Science & Technology

Article Considers 'Postnuclear Age'

HK1602143190 Beijing JIEFANGJUN BAO in Chinese 19 Jan 90 p 3

[Article by Dong Wenxian (5516 2429 0341): "A 'Postnuclear Age' or a 'Later Stage Nuclear Age?'"]

[Text] Editor's note: Chinese and foreign military theoreticians hold different views on whether the present-day world has entered a "nuclear age," a "postnuclear age," or a "later stage nuclear age." However they are reaching a common view on one point, namely, this issue constitutes a major theoretical problem in the present-day military academic field and involves national defense policies and military strategies. This newspaper has published Comrade Dong Wenxian's article so that our readers will take an interest in changes in the military field and in profoundly probing these changes. [end editor's note]

Two Concepts With Principled Differences

The 1988 winter issue of the U.S. WASHINGTON QUARTERLY published an article by Edward N. Lutwack on strategic theory entitled "A Later Stage Nuclear Age That Is Arriving Silently." The author pointed out that the American atom bomb, referred to as an "absolute weapon" by Brodie, lost its "absoluteness" after the Soviet Union exploded its atom devices in 1949. "The strategy pursued by the United States and NATO today remains as before in form, but the strategic position of nuclear weapons has mercilessly dropped." The U.S. "large-scope deterrent is narrowing" and "transforming into a later stage nuclear age." Now there is a need to face the "challenge of the later stage nuclear age"; the nuclear superpowers "are lowering the position of nuclear weapons in their countries' strategies, the only difference being the degrees of lowering."

Similar ideas could be seen in U.S. and Soviet newspapers several years before his article was published, but this was the first time that these ideas were highly summarized in the concept of "later stage nuclear age." This summation has major epoch-marking significance and has therefore aroused repurcussions among strategic theoreticians and in many countries and governments. Some favor or basically favor it and others object to it. Discussions are proceeding in depth.

Prior to this some people proposed the concept of "postnuclear age." For example, in 1988 the issue No. 7 of Japanese magazine POLITICAL TRIBUNE [zheng lun za zhi 2398 6158 7177 1807) published an article by Professor Kenichi Ito of Aoyama Institute entitled the "Arrival of Postnuclear Age and Japan's Major Strategy." Two months later Japan's MILITARY STUDY [jun shi yan jiu 6511 0057 4282 4496] published an article by Professor Hachiyo Nakagawa of Tsukuba University entitled "the 'Theory of Nonnuclear Age' and the 'Theory of Postnuclear Age' Are Dangerous Illusions."

Some comrades in our country's military academic circles are also probing development trends in the military field and the characteristics of military ages. In 1988 the issue No. 6 of WAIGUO JUNSHI XUESHU [FOREIGN MILITARY ACADEMICS] published an article by Wen Wu entitled the "Problem of 'Postnuclear' Age Merits Attention." Its issue No. 3 also published an article by Wu Chunqiu in the same year. The article asked "whether the 'postnuclear age' indicates a new military revolution." Furthermore, on 1 September 1989 JIEFANGJUN BAO published an article by Zhao Pingan entitled "Analysis of the 'Postnuclear Age.'"

In addition, on the same concept proposed by Edward N. Lutwack, a Chinese translation from the English version by the Chinese Military Academy is "later stage nuclear age" [hou he shi dai 0683 2702 2514 0108] whereas a Chinese translation from Japanese magazines is "postnuclear age" [he hou shi dai 2702 0683 2514 0108].

Literally there does not seem a big difference between "later stage nuclear age" and "postnuclear age," but actually these two have a principled difference.

"Postnuclear age" is a concept relevant to "prenuclear age." "Prenuclear age," which refers to the age before nuclear weapons came into being, can be found in some strategic theoretical works. Naturally, a "postnuclear age" indicates an age in which nuclear weapons have disappeared or in which their role in the military field has weakened to an insignificant degree. In other words, a "postnuclear age" is equal or close to a "nonnuclear world." This does not correspond to the present-day actual situation, nor will it possibly happen in the near future.

A "later stage nuclear age" refers to the later period of nuclear age in which the leading role of nuclear weapons in the military field will drop from its peak, either in actual combat or used as a deterrent means. This drop may be very slow and may possibly take a long time in the form of a horse saddle, but the role of nuclear weapons will eventually enter a falling-off period, which is similar to a later stage industrial society in the course of human society's transformation into an information society. Therefore in my opinion, the concept of "later stage nuclear age" can more accurately reflect the actual situation in the military field for the present and for a long period in the future.

The Nuclear Age in the Military Field Has Not Ended

Albert Einstein said in 1932: "There are not the slightest indications that this kind of (nuclear) energy is obtainable. This means that the atom is destructible at any time." But the subsequent facts proved that this famous physicist's judgment was incorrect. On 16 July 1945 the first plutonium-charged atom bomb was successfully exploded in U.S. Alamogordo Desert of New Mexico. On 6 and 9 August of the same year the U.S. Air Force dropped two atom bombs on Japan's Hiroshima and Nagasaki. Thus human society began to enter an entirely new age in the military field—the nuclear age.

Like the development of other weapons, the atom bomb undergoes a process of production, increment, improvement in role, and decline from its peak. A military strategy based on nuclear weapons also undergoes a process of relevant change. During a long historical period since the end of the war, nuclear weapons have brought about a major change in big powers' national defense policies. Nuclear armament has become the focus of their national defense construction; nuclear strength has become the main component of their armed forces and the symbol of their military forces; nuclear actual combat strategy and deterrent strategy with nuclear weapons as a backing have become the main component of military strategy.

For many years, strategic nuclear weapons and strategic weapons have been of the same concept in military countries' theory. U.S. and Soviet strategic nuclear weapons still remain in a state of oversaturation despite the reduction of these weapons for the last 20 years. Now their strategic and tactical nuclear warheads total some 50,000 and weigh 14 billion tons, over a million times the nuclear equivalent of the Hiroshima-grade atom bomb. Strategic nuclear weapons will still maintain a dominant position in strategic forces even if the United States and the Soviet Union can reach an agreement on reducing their nuclear weapons by half. According to an estimate by some experts, "even if both sides retain five percent of their current nuclear weapons, these weapons will still be powerful enough to destroy the world."

In their confrontation the United States and the Soviet Union no longer rely on nuclear armaments but on comprehensive national strength. However the role of military strength has not dropped in their security policies. Although U.S. and Soviet strategic policymakers keep changing their selection of words, they have not changed the basic point of taking nuclear weapons as a

backing and principal material power. In his national defense reports for the three fiscal years from 1985 to 1987, former U.S. Defense Secretary Weinberger stressed: "Nuclear deterrent will start wherever conventional deterrent fails," and a "reliable deterrent involves conventional weapons, medium- and long-range nuclear arms, and a strategic armament system." Former U.S. President Reagan also explicitly pointed out: "Although deterrent requires us to possess the ability to cope with all scales of conflicts, the most important basis stems from our strategic nuclear force and the theory supporting this force," and "to ensure our deterrent, the United States maintains a diversified strategic force." Following the Reagan administration's national defense policy, the Bush administration has asserted on many occasions that actual strength "serves as a backing for negotiations" and "is a key that has forced the Soviet Union to make a concession and sign the treaty." He continues to pursue the plan on modernizing strategic nuclear arms and the Star Wars plan. In 1987 the Soviet Union began to propose a "new principle on military theory," claiming that "we favor the idea of a nonnuclear world" and look forward to the "birth of a new age in human life—an age without nuclear weapons." But it has never given up the use of nuclear weapons in its military strategy. In a pamphlet entitled "Safeguard Socialism and Peace" published in October 1987, Soviet Defense Minister General Yazov wrote: "Now the decisive factor that can prevent the outbreak of war is still the balance of strategic power between the Soviet Union and the United States and between Warsaw Treaty nations and NATO." "To maintain the appropriate limits for defense, Soviet strategic nuclear force is kept within the scope of the existing Soviet-U.S. balance of strategic power. Insofar as Soviet strategic nuclear force is concerned, the essence of this appropriation principle is targeted at preventing the punishment by nuclear attacks under all circumstances, including the most unfavorable ones."

After the United States and the Soviet Union signed the treaty on medium-range missiles, some Western countries still held fast to their original stand on the nuclear deterrent strategy. British Prime Minister Margaret Thatcher said, on the British part, nuclear weapons are the only means for ensuring its safety when a conventional war breaks out in Europe; she expressed disagreement with the reduction of nuclear arms before a balance of power takes shape between Warsaw Treaty nations and NATO. FRG Chancellor Kohl stressed, the West must possess nuclear weapons, without a nuclear deterrent force there can be no security for Europe. Therefore the FRG will not consider "nonnuclearization." France has for many years maintained that the U.S. "flexible response" strategy is not reliable; it should preserve a nuclear strike force with reliable effectiveness to survive and combat. A "Defense White Book" announced by the Japanese Defense Agency in 1988 pointed out: "Peace and stability in the international community has yet to be maintained by the balance of military power including nuclear weapons."

On the other hand, the "nuclear club" is tending toward expansion. The U.S. WASHINGTON POST pointed out, countries in the world that have admitted possessing nuclear weapons are the United States, the Soviet Union, Britain, France, and China; countries that may be in possession of nuclear weapons are India, Israel, South Africa, Pakistan, Argentina, Brazil, and Iraq; Liberia is trying to purchase nuclear technology. The U.S. Long-Term Overall Strategy Commission predicted: "In the coming 20 years many countries that do not have atom bombs now will produce atom bombs.... In the beginning of the next century some 40 countries in Europe, Asia, the Middle East, and other regions will possess the technology to manufacture atom bombs in several years." "Nuclear proliferation" is inevitable at a time when the world is entering an information era, many countries are opening their gates, and their strategic setups are undergoing polarization, no matter how nuclear weapons will be used and what their value will be.

For a period to come, the amount of nuclear weapons will gradually decrease and even reduce by a wide margin as long as the fundamental interests of the United States and the Soviet Union remain unharmed. But nuclear technology, which symbolizes the development of human civilization, will not disappear. Nuclear energy, having high scientific and economic values, will continue to be extensively used for peace purposes. Nuclear energy will become an energy extensively used by man, because coal, petroleum, and natural gas are becoming less in the world. In 1984, 32 countries and regions in the world had nuclear power stations, and there were 530 nuclear reactors in operation or being built. Nuclear energy devices on space and maritime arms platforms are developing. The history of nuclear arms development suggests that it is possible to manufacture atom bombs within three or four years after the operation of nuclear reactors. In addition, there has been a wide variety of nuclear weapons. Apart from atom and hydrogen bombs, the United States manufactured netron bombs in the 1970's. Nuclear arms may, like other weapons, withdraw from combat, but nuclear arms technology will never disappear. If needed, nuclear arms may return to the battlefields.

In short, the role of present-day nuclear weapons may change in the military field but this change is quantitative; the qualitative stability of their leading role will remain, and the balance of nuclear strength between the U.S. and Soviet superpowers will not change. Therefore the nuclear age we are now in is still far from the "postnuclear age."

A "Later Stage Nuclear Age" Is Arriving Silently

Edward N. Lutwack had adequate proof to support his proposition that "a later stage nuclear age" is arriving silently.

The United States and the Soviet Union have signed some nuclear arms control agreements since the 1970's.

According to statistics, in 1988 U.S. nuclear weapons reduced to two-thirds of the amount in 1967, its explosive equivalent dropped to one-fourth of the peak year of 1960, and the equivalent of each nuclear warhead was only one-fifteenth of the highest value in 1957. In comparison with 1971, the delivery vehicles for Soviet nuclear weapons reduced by one-third, Soviet nuclear warheads decreased by over a half, and its total explosive equivalent dropped, as did the equivalent of each warhead.

The record on the use of nuclear weapons for actual combat since the end of World War II has always remained "zero." Although the use of nuclear weapons was discussed on 33 occasions for the 215 military exercises in which the United States had participated since the end of the war, and despite the fact that the Soviet Union was active in carrying out its nuclear rocket strategy in the 1960's to flaunt its nuclear strength, yet neither of them dared to act rashly.

Apart from this, their nuclear deterring effects are weakening. The United States has not been able to stop the outbreak of wars although its has always taken nuclear weapons as the "trump card." Nuclear weapons do not seem to be of any help in the face of local wars or nonmodernized guerrilla wars. The threat of nuclear war is big but the possibility of nuclear war is small; the threat of local war is small but the possibility of local war is big. This inverse ratio between deterrent and possibility has made the United States and the Soviet Union shift their attention to conventional deterrent. Reagan said: "Because a basic balance of power has appeared between the United States and the Soviet Union, conventional troops have become more important to maintaining a reliable deterrent." As early as the 1970's, when Ogarkov was chief of staff, the Soviet armed forces negated the nuclear rocket strategy, proposed making preparations for both conventional and nuclear wars, and developed the world's most powerful conventional offensive forces. Small and medium-sized countries no longer take the U.S. and Soviet nuclear deterrent forces as a real threat. Their main worry lies in the fast deployment of the U.S. and Soviet conventional forces and their special combat troops. The change of nuclear weapons from "absolute weapons" to "reliable weapons" and then to "shields" indicates the gradual drop in nuclear deterring effects.

The characteristics of the "later stage nuclear age" have become increasing prominent in recent years. With regard to nuclear war, the "suicide theory," the "dual destruction theory," the "theory of common ruin," and the "theory of the end of civilization" have spread more extensively than decades ago and have produced repurcussions in U.S. and Soviet military circles. The main trend of world public opinion is that the "nuclear threshold" must not be crossed and nuclear war must not be waged. Moreover, big countries have paid more attention to strengthening their conventional military forces, particularly to the research and manufacture of hi-tech equipment in the conventional armament system. Their operational theories have changed correspondingly. For example, the chapter on "tactical nuclear operation" in the 1982 edition of the U.S. Army's "Operational Program" was left out; the "operational conditions" in the Soviet Army's operational orders announced in the early 1980's was changed to "conventional conditions"; and large-scale military exercises conducted by U.S. and Soviet troops in recent years have all been exercises on actual conventional operations.

The "later stage nuclear age" is not a subjective creation of strategic theoreticians. Its arrival is an inevitable history trend. Nuclear weapons have come into being and developed under certain conditions and will wane and disappear under certain conditions, too. Man has invented nuclear weapons, man can also control the use of nuclear weapons and even gradually abolish their role in the military field. This suggests the progress of man's civilization.

But the quality of nuclear weapons in the "later stage nuclear age" is developing. This includes their delivery means, multiple warhead missile system, miniaturization, accuracy. What merits particular attention is that following scientific and technological progress, particularly the development of microelectronics technology, the range, accuracy, and destructive power of conventional weapons have greatly improved. New physically-principled [wu li yuan li 3670 3810 0626 3810] weapons have gradually appeared and are replacing nuclear weapons. A report compiled by the U.S. Long-Term Comprehensive Strategy Commission pointed out: "We will comprehensively use crypto-form technology, high precision weapons, and advanced target fixing methods." "With the improvement of conventional weapons' accuracy by means of new technology, we will be able to use these weapons to fulfill many tasks originally undertaken by nuclear weapons." The Soviet Union also drew a similar conclusion. In 1982 an article by former Soviet Chief of Staff Marshal Ogarkov related: "A real revolution is taking place in the military field. Weaponry of a high precision projection system enables the armed forces to execute military actions by entirely new and unprecedentedly destructive conventional means." Another former Soviet Chief of Staff Marshal Akhromeyev also disclosed that new conventional weapons "are close to nuclear weapons in terms of power, range, and accuracy." Soviet Defense Minister General Yazov put it more explicitly: "Many modern conventional weapons, particularly accurately guided weapons, have approached the level of small-equivalent nuclear weapons in terms of combat effectiveness."

In conclusion, the silent arrival of the "later stage nuclear age" will bring about various changes in military conflicts. There is no need to mention the significance of seriously studying the development in this respect.

Outstanding Nuclear Industry Workers Commended

HK1902073090 Beijing RENMIN RIBAO in Chinese 8 Feb 90 p 1

[Dispatch by reporter Zhang Heping (1728 0149 1627): "Meritorious Service Certificates Presented to Young, Middle-aged Scientists on Nuclear Industrial Front"]

[Text] Beijing, 7 Feb—Today, the scientific and technological elites in the nuclear industry gathered in the corporation. More than 120 young and middle-aged researchers who made major contributions to our country's nuclear industry received "certificates for experts who have made outstanding contributions" issued by the state and by the nuclear industrial corporation.

Since 1984, the State Science and Technology Commission and the Ministry of Personnel Affairs have issued, on three occasions, certificates to a total of 30 experts who made outstanding contributions to the nuclear industry. These experts included Deng Jiaxian, a late nuclear scientist who was reputed as China's "Father of Atom Bombs and Hydrogen Bombs," experimental nuclear physicist Hu Renyu, geologist Chen Zhaobo who is a specialist in uranium mines, nuclear fuel expert Dai Shouhui, reactor engineer Zhou Yongmao, radioactive protection expert Hu Zunsu, nuclear power expert Qian Jinhui, and nuclear physicist Ding Dazhao.

Ninety-two young and middle-aged experts who made outstanding contributions in the fields of geology, mining, war industry, construction engineering, nuclear fuel, safety guarantees, and nuclear instrument and equipment were given the title of experts who have made major contributions by the nuclear industrial corporation in 1988.

Reportedly, the young and middle-aged experts were selected according to the spirit of the document issued by the Central Organization Department, the Central Propaganda Department, the former ministry of labor and personnel, and the Ministry of Finance on first raising the remuneration for young and middle-aged experts who had made outstanding contributions with the approval of the party central secretariat and the State Council. In 1984, 1986, and 1988, the State Science and Technology Commission and the Ministry of Personnel Affairs selected and approved three groups of more than 2,200 young and middle-aged experts who had made outstanding contributions. Various provinces, municipalities, ministries, and commissions also selected and awarded outstanding experts in light of the spirit of the relevant central document.

The responsible people of the China Nuclear Industrial Corporation presented certificates to the young and middle-aged experts who won the glorious title. The relevant responsible people of the Ministry of Personnel Affairs also attended the occasion to extend congratulations to the award winners.

Scientists Awarded Medals of Honor

OW1502184090 Beijing Domestic Service in Mandarin 1030 GMT 10 Feb 90

[From the "National Hookup" program]

[Text] The Chinese Academy of Sciences recently presented medals of honor [rong yu zhang] to members of the scientific council of the academy who have a high reputation in science. The medals are an expression of gratitude for their outstanding achievements in China's scientific undertakings.

Medals of honor were presented to 323 members of the scientific council, most of whom are pathbreakers or leaders in various branches of science in our country, including such famous scientists and experts as Yan Jici, Su Buqing, Wang Ganchang, Qian Xuesen, Qian Sanqiang, Qian Weichang, Huang Kun, Zhu Guangya, Xie Xide, Jin Shanbao, Cai Qiao, Zhu Futang, Shen Qizhen, Lu Jiaxi, Yan Dongsheng, Zhang Qinglian, Hou Xianglin, Tu Guangzhi, Huang Jiqing, Cheng Yuqi, (Hao Zhichun), Wang Daheng, Lin Lanying, Shi Changxu, and Shen Hong.

The Scientific Council of the Chinese Academy of Sciences consists of outstanding scientists and technical experts who have laid a foundation for the development of science in our country. They have also promoted the development of mathematics, physics, chemistry, earth science, astronomy, biology, and other sciences, and have trained generations of scientists for the country.

Youth League Stresses Science Projects

HK1602024790 Beijing CHINA DAILY in English 16 Feb 90 p 1

[By staff reporter Wang Rong]

[Text] The Chinese Youth League (CYL) has come up with a project to encourage more rural youngsters to study the uses of science in agricultural production.

The organization hopes the project will complement the existing Spark Project which examines ways of updating the country's rural economy by putting agricultural scientific theories into practice.

Details of the new project were announced on Wednesday at a ceremony held to honour 100 rural youngsters—from 11 provinces—named as leading lights in the five-year-old Spark Programme.

A further 760 rural young people were honoured at the ceremony for their outstanding achievements in the field of applied scientific research and for helping others to come up with more efficient work techniques.

Song Defu, the first secretary of the CYL's central committee, told those attending the ceremony about the project and said that supporting rural youth in this field was a major long-term aim of the league.

Young people from another nine provinces will be eligible for election to take part in the work this year, according to Feng Jun, an official with the CYL's central committee, who is in charge of the work with rural youth.

In July 1988 the central committee of the CYL and the State Science Commission (SSC) got together to set up a group of rural youngsters who would spread the word about the new achievements made in the field of agricultural scientific research.

Thanks to the CYL project, more rural youth will now be trained to spread information about new advances in agricultural technology.

Middle school graduates who choose to work in this field will be trained in applied technology to help them grasp the techniques they need to improve farming methods in their areas.

The battle to combat illiteracy among rural youth is included in the project too.

Leaders of local youth leagues are being urged to set an example to others in the study and practice of science and technology.

Those attending the ceremony were told about the project's main aims in a speech by Guo Shuyan, vice director of the SSC.

Efforts shold be centred on the cultivation of high-yield crops, he said, which require little investment.

Economic & Agricultural

Article Reviews 1989 Economic Problems

HK1602103390 Beijing JINGJI CANKAO in Chinese 14 Jan 90 p 4

[Article by Zong Ce (1350 4595), edited by responsible editor Gao Lu (7559 7216): "Upper-Layer Contradictions are Basically Mitigated, But Lower-Layer Problems Remain Unsolved—Analysis on Operation of the 1989 National Economy"]

[Text] The national economy continued to develop in 1989. Achievements were made for the stage of rectification and consolidation, and there were changes in the macroeconomic operation.

I. Results of Rectification and Consolidation

We faced economic difficulties in early 1989, which were mainly manifested as: an imbalanced aggregate volume of society caused by a greater aggregate demand of society over its aggregate supply for successive years; a dislocation of composition caused by constraints over the pattern of interests, and distorted prices; the loss of control over consumption caused by the lack of effective means of macroeconomic readjustment, and a favorable share of the national economic distribution by individuals. Therefore, the inflation rate for the year became the most serious one since the founding of the state, and the gross retail price index of the whole society shot up by as high as 18.5 percent.

In light of the fact that there were unavoidable contradictions and difficulties in the economic life, we began last year to check the aggregate volume, and readjust the composition in order to solve the inflation. As the scale of this readjustment and rectification was larger than the previous two which were started in the early and mid-1980's, we made more remarkable achievements when compared to the previous two. Nevertheless, these achievements were just for the current stage.

Agriculture Reaped Better Harvest

The output of summer grain last year reached a record level. It was also a bumper harvest year for the production of upland rice in recent years. The total output of grain for two seasons was increased by seven billion jin compared to last year. Except for certain areas which were affected by natural disasters, most areas reaped a bumper autumn harvest. Their annual output volume was 814.9 billion jin, more than the record level reached in 1984, thereby putting an end to the situation in which the output volume fluctuated for four successive years. It was estimated that the output of cotton was 80 million dan, thereby checking any further decline in the production. The output volume of other major agricultural products was also increased compared to last year.

Achievements Were Made in Readjustment of Industrial Development Speed

The economy became overheated, which was reflected by the excessively high speed of industrial development. Through last year's rectification and consolidation, the previously high speed of industrial development was checked. According to a preliminary survey, the 1989 gross industrial output value of units at and above the county level was increased by 6.8 percent compared to the same period in 1988. The output of energy resources and major raw materials gradually bounced back from the decline in the beginning of 1989. It was expected that the annual output of coal might reach 1,020 million tons, an increase of four percent compared to 1988. The amount of electricity might reach 575 billion kwh, an increase of 5.5 percent. The output of crude oil was basically at the same level as 1988. Various difficulties concerning transportation were solved. Plans were well done. Generally speaking, the output of major industrial products fulfilled the planned quota, and the industry as a whole maintained an appropriate growth rate.

To a Certain Extent, the Aggregate Demand of Society Was Checked

The main reason that the aggregate volume balance was upset was because there was inflation in the aggregate demand of society. Recently, the growth of investment by society in fixed assets exceeded the state's tolerable

financial capacity; and the front of capital construction was too comprehensive, and the number of projects was too many. According to an incomplete survey conducted last year, there were 210,000 projects under construction, involving a total investment sum of 1,400 billion yuan. The scale was so large that it was even impossible for us to accomplish them in the "Eighth 5-year Plan". Beginning in the last year, in order to check the demand for investment and cut the scale of capital construction, the State Council adopted a variety of measures and made remarkable results. By the third quarter of the year, it cut the amount of investment by 67.5 billion yuan. Between January and November, the amount of investment made by enterprises owned by the whole people in fixed assets was cut by 10.8 percent when compared to the same period in the last year. It was expected that the annual amount of investment made by the whole society in fixed assets was about 410 billion yuan, a reduction of 40 billion yuan or about nine percent when compared to the same period in 1988. After taking into consideration factors such as price rise, devaluation of investment, and the drop in actual work load, the number of new projects was reduced by one-third compared to the same period in 1988. While checking the demand for investment, we suppressed on a large scale the demand for consumption, so that the purchasing power of social groups was effectively put under control. Between January and November of last year, the retail sales of consumer goods to social groups were increased by 4.6 percent when compared to the same period in 1988. After taking into consideration the factor of price rise, the actual growth was a negative one. As we adopted certain measures for controlling the wages and income of staff and workers in various localities and units, the amount of wages and other payments to individuals by banks dropped month by month. To a very large extent, this, together with the implementation of measures for building a honest government, suppressed part of the demand for consumption. Judging from the overall situation of the year, we have initially checked the aggregate demand of the whole society.

The Tendency of Inflation Was Weakened

As the overheated economy gradually began to cool down last year, and the demand was appropriately suppressed, the level of price dropped month by month. When we analyzed by quarter, the price level of the first quarter was increased by 27 percent when compared to the same period of the previous year. The price level in the first half of the year was increased by 25.5 percent when compared to the same period of the previous year. This level in the first three quarters increased by 22 percent when compared to the same period in the previous year. The growth in November decreased by 20 percent when compared to that in January. According the statistics of the state statistics bureau, the retail price of 40 kinds of basic means of subsistence, as well as the price of seven kinds of basic services, were relatively stable. In particular, since last year's margin of increase was far below that of 1988 by 15 percent, the reaction of the masses was relatively stable. Therefore, this thus played a key role in stabilizing last year's price level.

The Credit Situation Was Basically Normal, the Amount of Money in Circulation Was Much Smaller Than the Planned Figure, and the Amount of Savings Deposit Was Increased

As we implemented last year the belt-tightening principle in respect of financial affairs and credit; and resolutely checked the aggregate volume, readjusted the composition, safeguarded the key projects, suppressed the general ones, and appropriately regulated the orientation of development when implementing the credit plans, the amount of credits granted by banks between January and November was increased by 42.4 billion yuan when compared to the level at the beginning of the year, or increased by 23.6 percent when compared to the same period in 1988. The accumulated net amount of money in circulation between January and November totalled 6.7 billion yuan, whereas the net increase of money in circulation in 1988 was 57.3 billion yuan. Therefore, the planned annual quota was not exceeded. The accumulated amount of savings deposit for the year might reach beyond 130 billion yuan.

To Continue to Open Up to the Outside World

(1) On foreign trade, it was shown by the statistics of the Customs that between January and November, the export volume was US$45.7 billion, increased by 11.7 percent compared to the same period of the previous year. The import volume totalled US$52.3 billion, increased by 12.6 percent. (2) Between January and September, the number of Chinese-foreign equity joint ventures and cooperative ventures, and wholly foreign-owned enterprises approved by the state was 4,280, increased by 16.1 percent compared to the same period in 1988. The amount of investment involved in executed agreements totalled US$4,006 million, increased by 39 percent when compared to the same period in 1988. **The foregoing situation has indicated that those series of measures for rectification and consolidation, and for intensive development of reforms, adopted by the CPC Central Committee, and the State Council, were correct. They played, and are still playing, a positive role in the work.**

II. Analysis of the Economic Operation

The characteristics of last year's macroeconomic operation were mainly manifested in the areas of industrial production, market sales, circulating fund and so on.

Analysis of Industrial Production

Sharp Fluctuation in Industrial Production [second subhead as published]

A prominent characteristic of the 1989 industrial production was that throughout the year, the growth rates of various industrial output values fluctuated sharply from month to month, and the development was very

unstable. Within several months, the growth rate of industrial production plummeted from an excessively high level to the bottom level. On the basis that the gross industrial output value (excluding units at village level and below, the same below) grew 18.3 percent in December of the previous year, the growth rate of the same value dropped to 8.2 percent in January. It later bounced back and reached 14.8 percent in March before declining at a relatively rapid rate in the later months. By October, the growth rate was -2.1 percent. After the adjustment for incomparable factors which caused seasonal fluctuations in these months, last year's industrial output value saw a fall-rise growth in which the value first dropped from a high level to a low one before bouncing back to another high one. Beginning in May, the industrial output value dropped with each passing month. The scale and length of the decline was unprecedented ever since 1978.

Last year's industrial growth saw great changes, which was the result of implementing various measures for rectification and consolidation. At different points of time, however, these measures played different roles, and so did their influence. **Before April last year, our administrative control measures such as the austerity program arrested the excessively rapid growth in industrial production. Whereas, in the period after May, the industrial growth rate dropped mainly because the market sales became sluggish, which was caused by a variety of measures that checked the demand.**

Specifically, our analysis indicates that last year's industrial production experienced three stages:

The first stage started in January and ended in April, during which the excessively rapid growth in industrial production was checked because the industrial production of the previous year was already excessively overheated, and the supply from bottleneck departments such as energy resources, raw materials and transportation departments was very tense. Meanwhile, the implementation of a series of rectification and consolidation measures, such as the withdrawal of money from circulation, helped produce effective results for the work. As a result of these constraints on the production conditions, the industrial production, which had become excessively overheated for years, slowed down and gradually made a steady growth.

Though the growth rate of these four months started at a low level and ended at a high one, and the difference of growth rates between any of these months was great, the excessively low growth rate in January was particularly significant. The sharp drop in January indicated the role of exaggerating the restrictions on industrial production when the supply of energy and raw materials was insufficient. When there was a shortage of resources, the overall economic results of distribution and utilization of natural resources were dropped rather than being improved, thereby evidently manifesting the shortcomings of the current economic operation mechanism. Since our experience in January revealed the rigidity of energy resources against economic growth, it attracted the attention of various sectors, so that, to a certain extent, it helped us restore the growth in February, March and April.

The second stage began in May and ended in August, during which the link-ratio of light industrial output value after the adjustment for seasonal factors dropped, while the output value of heavy industry was basically fair.

Beginning in May, major factors that affected the industrial production became sluggish in the consumer market. Though it seemed that compared to 1988, the supply of circulating funds was still very tense, it was true only when one compared it to a relatively high growth rate. If the market were not sluggish, the industrial production should be able to maintain an appropriate growth with the supply of capital at the current level.

Sales of the consumer market became sluggish in April. During the four months between May and August, it was still mainly the production of light industry which was affected by the sluggish market. As time passed by, the extent of its influence grew a lot. But the production of heavy industry remained unaffected, and the output value of heavy industry was kept at a steady level.

The development entered the third stage in September, at which the market sales were still not brisk. As the market had been stagnant for some time, and while the output value of light industry continued to drop, the demand for production means dropped so sharply that the production of heavy industry was adversely affected. At the same time, the demand for investment was suppressed because the scale of investment in fixed assets was checked. Because of these two factors, the output value of heavy industry also began dropping. In September and October, the output value of heavy industry after the adjustment of seasonal factors decreased by 1.5 percent and 1.2 percent respectively when compared to the previous month. By that time, the supply of some production means was changed from tense to being overstocked, and the transaction price gradually dropped. This included the growth of those sectors which saw a rapid growth at the beginning of the previous year experiencing a sharp drop. This was a logical development of the industrial production after it was affected by the market.

We are now just at the beginning of the third stage. In November, the link-ratio of total volume of retail commodities in the whole society after the adjustment of seasonal factors dropped 1.6 percent. It was the greatest fall since April. This showed that sales of the consumer market had become more sluggish. Taking into consideration the influence of the market sales on industrial production and its time difference, the general development trend of industrial production in the next few months will continue to drop. However, since we currently take a relaxed attitude toward the supply of

working circulating funds, this helps, to a certain extent, stimulate the industrial production. At the same time, on the basis that it is widely known that the growth rate of industrial production is dropping, we have strengthened from top to bottom the organization and coordination of industrial production at various levels. The fact that the gross industrial output value of November last year increased by 0.9 percent when compared to the same period of the previous year was a manifestation of this status. Nevertheless, the status of our industrial production in the next few months is yet to be seen.

Changes in the Composition of Production

Judging from the monthly or quarterly changes in the composition of industrial production, we should notify the existence of seasonal fluctuations in various comparable indexes. Such fluctuations reflected the overall influence of natural factors on the economic variables, so that the proportion among these variables experienced great changes. It was necessary that amidst these changes, one must sensitively and precisely grasp well the essential relations of these economic variables, in which a variable grows at the expense of another.

Last year's changes in the composition of industrial production after the adjustment of the seasonal fluctuations were mainly as follows:

Between January and April, the proportion of output value of light industry to the gross industrial output value increased, while that of heavy industry decreased. In April alone, the proportion of light industry and heavy industry was 50.9:49.1. Beginning in May, the proportion of light industry decreased, while that of heavy industry increased. Their proportion reached 49.6:50.4 as at October.

In the first two months of last year, the proportion of output value by industries owned by the whole people continued to decrease, while that of collective industries continued to increase. In February, the proportion of output value by industries owned by the whole people to the gross industrial output value was 61.4 percent, or at the record low level; while that of collective industries was 34.7 percent, or at the record high level. Later, the proportion of output value by industries owned by the whole people increased, while that of collective industries decreased. As in October, the proportion of output value by industries owned by the whole people was 62.8 percent, while that of collective industries was 32.9 percent.

We should have realized that the current changes in the composition of industrial production were not because of automatic regulation by the economic operation mechanism. The major factors contributing to the changes in the composition of industrial production were still the administrative measures such as the tightened credit and the monopoly of production means, and the sluggish sales in the market. These factors played their different roles at different time: The administrative measures, particularly the policies concerning preferential treatment for town and township industries, were carried out all the time in the last year, and were used to control the development at a different magnitude for different industries, under which industries owned by the whole people were preserved, and collective industries were checked. The market sales became a new factor to this situation when the sales became sluggish in April. Their influence gathered momentum as time passed by, and did not show any preference toward any of the enterprises under different types of ownership. Of these two factors, the administrative control measures became the more important one for changing the composition. This was because (1) the proportion of output value of collective industries decreased last year, and its fall was two months earlier than that of light industry and heavy industry, and the fall of gross industrial output value; (2) the influence of a simple sluggish market sales on the composition of industrial production was weaker than the actual changes in the current situation. As the market sales remained sluggish, the composition of industrial production in November began recovering because of more money in the market and the stimulation of growth in industrial production through administrative measures. **Last year's changes in the composition of industrial production were mainly the result of our administrative control. Therefore, they were temporarily effective for a certain period. Though the current proportion of output value of light industry is decreasing, a quantity of productive force is still left lying idle, and there is no realization of the existing reserves. Though the proportion of output value of heavy industry is increasing, there is no sufficient reserve strength for further growth in the heavy industry because we are in the process of suppressing the scale of investment in capital construction, and we are unable to help the heavy industry to produce products that are in short supply. We should thoroughly understand the problems in this respect.**

Further Drop in the Economic Results

Like our past austerity programs, what followed the austerity program was a fall rather than an improvement of the economic results. Such was a prominent situation last year, more prominent than the previous ones. While the credit was tightened, a series of rectification and consolidation measures played their roles in checking the growth in the demand for investment and consumption, so that the market sales became extensively sluggish for the first time. It was thus very difficult for enterprises to improve their economic results.

As different types of economic ownership have different economic operation mechanisms, enterprises under different types of ownership differed among themselves in the ways of improving their economic results.

Enterprises owned by the whole people encountered a serious overstocking of finished products and capital, so that they suffered more losses. Between January and November, the cost of comparable products made by the state's budgetary industrial enterprises was increased by

20 percent when compared with the same period of the previous year. The number of loss-incurred enterprises was increased by 19 percent. The amount of losses sustained by such enterprises was increased by 141 percent. As the banks had adopted the credit policy of "readjusting the structure, and safeguarding the key points", the supply of money to be used as the circulating fund by the budgetary industrial enterprises was not very tense. Under the circumstances where the industrial production was overheated in 1988, the amount of quota circulating fund was increased by 21.9 percent. Beginning at the end of November last year, the amount of this fund was increased by 27.8 percent when compared to the same period of the previous year. This included the increase of fund spent on their finished products, which accounted for 62.9 percent. This obviously indicated that it was the sluggish market that hindered the improvement of economic results by enterprises, rather than the issuance of an excessively small sum of circulating fund or a sharp price rise in the production means.

Collective enterprises, in particular, town and township enterprises, would not continue to run any loss-incurred business whenever they faced difficulties in their operations or when the average cost was higher than their average returns. They would rather close such operations. Therefore, it was the closure of enterprises that was able to manifest the losses sustained by these enterprises, rather than a deterioration in the economic results of them, which was sometimes impossible. **Changes in the economic results of different types of ownership reflected problems of different nature. Such changes among enterprises not owned by the whole people were made simply because of the unfavorable external conditions, though their internal organization and operation mechanisms were rather flexible, and their acts were rational. On the contrary, enterprises owned by the whole people revealed more to others their slow reaction and rigidity toward the external economic environment, and the shortcomings of their operation mechanisms.** After this rectification and consolidation, neither such enterprises nor the external economic environment would become stable and favorable for a long period of time. Therefore, compared to the improvement of the external economic environment of these enterprises, it is equally important that we reform the operation mechanism, as well as rationalize the behavior, of enterprises owned by the whole people.

Market Analysis

The characteristics of last year's market were: **First, market changes were obvious.** In last year's first four months, the market sales continued to grow at a steady rate. Compared to the same period of the year before, the total volume of retail sales of commodities in the whole society were increased by 21.7 percent, 20.0 percent, 26.0 percent, and 20.2 percent. The growth rate was maintained at the rate of 17.2 percent in May. Suddenly, the market sales volume dropped in June. Compared to the same period of 1988, the total volume of retail sales of commodities in the whole society were increased by 9.1 percent and seven percent in June and July. However, there was a negative growth in the months after August, which were respectively -0.7 percent, -1.1 percent, -0.3 percent and -0.9 percent, and the market changes were quite drastic. **Second, the extent of market fluctuations were rather large.** Between January and November, the total volume of retail sales of commodities in the whole society were 736.7 billion yuan, an increase of 9.8 percent compared to the same period of 1988, or a reduction of 17.8 percent when compared to the 27.6 percent growth in the same period of the year before. After the adjustment of the abnormal factor of buying spree, which took place in August and September, such rate was still below the normal sales level between 1984 and 1987. **Third, the market sales fell in every aspects.** Between January and November, almost all of the 29 categories of commodity on the statistics list prepared by the statistics bureau experienced a decline when compared to the same period of 1988.

Last year's market changes were mainly the results of our readjustment of the macroeconomic policies.

1. Effects of Macroeconomic Austerity Program

In September 1988, our banks withdrew money from circulation, so as to check the excessively high rate of industrial growth. In the wake of a gradual decline in the growth of industrial production, the growth rate of consumption income decelerated. Between January and November of last year, the gross industrial output value was increased by seven percent when compared to the same period in 1988, or reduced by 10.7 percent when compared to the 17.7 percent growth rate in the same period of 1988. Meanwhile, the amount of wage payments and other personal expenses paid by banks was increased by 16.3 percent, or reduced by 11.4 percent when compared to the 27.8 percent growth rate in the same period of 1988. This included a 14.5 percent growth in the bonus payments, which was lower than the 47.7 percent growth for the same period in 1988. In particular, the drop in the growth rate of collective-run industries was rather rapid. The growth rate for the period from January to November was only 9.7 percent. This included the drop of growth rate of town-run industries to 14.5 percent. Compared to the same period of 1988, the foregoing growth rates was respectively reduced by 15.5 percent and 20.5 percent. The growth rate of wages and bonus payment paid through banks by town and township collective units was 11.6 percent, lower than the 24.8 percent growth for the same period in 1988. The growth rate of wage payments paid by town and township enterprises and institutions was 9.8 percent, lower than the 32.1 percent growth for the same period in 1988.

2. Macroeconomic Policy-Oriented

Beginning in 1988, the banks readjusted the interest rates of savings deposits and carried out the protected savings policy, so that it became more prominent that residents tended to save more money.. Between January

and November, the amount of savings deposits made by urban and rural residents totalled 121.97 billion yuan, an increase of 99.2 percent when compared to the same period of 1988, which helped reduce the market demand for consumption.

3. Suppression of Investment in Fixed Assets

Between January and November last year, the amount of investment in fixed assets totalled 152.8 billion yuan, decreased by 10.8 percent when compared to the same period in 1988. If we take into consideration the 40 percent growth in the consumption fund, which was originally transferred from funds recently invested in capital construction, we should say that the suppression on investment has helped check the growth in the consumption fund.

4. Suppression of the Purchasing Groups of Society

In the wake of promulgation of various central measures for building a honest government, as well as those measures for controlling the purchasing groups of society, the retail sales of consumer goods to such groups gradually dropped after June last year. Compared to the same period in 1988, the respective growth rates were 6.7 percent, 0.2 percent, -5.6 percent, -6.6 percent, -5.1 percent and it maintained at a fair level in November.

5. Straightening out Companies, and Consolidation of the Market

The State Council adopted since last year a series of measures for closing and merging certain companies, while consolidating the market, and strengthening the market control and the collection of taxes on individual industrial and commercial households, so that the distribution order in the circulation sector was improved. To a certain extent, we put an end to the situation in which some people received a high income from the circulation sector. Between January and November of last year, the amount of taxes collected from individuals totalled 10,375 million yuan, increased by about 40 percent when compared to the same period in 1988.

6. Changes in Residents' Consumption Mentality

The State Council has adopted since last year a series of administrative and economic measures for controlling the prices, so that the extent of price rise gradually dropped with each passing month. In October, the general retail price index of the whole society was increased by 8.7 percent when compared to the same period in 1988. This showed a drop in the growth rate from double digits to single digit. Such growth included a more rapid drop in the price rise in urban areas, which was only increased by six percent in October when compared to the same period in 1988. As the consumption mentality of residents became stable, their consumption was basically back to the normal pattern.

Last year's market fluctuations were a comprehensive manifestation of a variety of factors. We must be sober-minded and calmly analyze the situation of the current decline in the market sales.

The present market changes are mainly reflected by the drop in the purchasing power of the market. Judging from an overall analysis of the operation of the national economy, the situation that the aggregate demand of society is greater than its aggregate supply remains unchanged. First, the net purchasing power of urban and rural residents is still very great, which will reach around 700 billion yuan by the end of the year. Compared to the gigantic net purchasing power of society, the amount of social commodities in stock is very limited. By the end of November, the amount of social commodities in stock is increased by 19.5 percent when compared to the same period of the year before. It shows a negative growth after the adjustment of price rise. Second, the growth of workers' income is slow, though it is still higher than the growth rate of production for the same period. Third, the overall balance of the national economy is affected by contradictions, and shortage and overstocking of commodities in the composition of the national economy, as well as the operation method of the national economy.

Changes in the market affect the current national economic development in the following aspects:

Influence on Industrial Production

It was inevitable that any control of the aggregate demand would have a great influence on the industrial production. However, in light of the hectic fluctuations in the past, and facing the sudden decrease in the purchasing power of the market and the fact that the adaptability of enterprises was limited, we failed to promptly readjust the quantity and composition of products so that products were overstocked and the development of production was affected. In particular, the production of durable consumer goods, which was stimulated by the excessively brisk consumption in recent years, suffered most. Between January and November, the production of color tv sets dropped by 4.5 percent, that of domestic washing machine dropped by 18.2 percent, that of domestic refrigerator dropped by 4.5 percent, that of beer dropped by 2.6 percent, and that of white wine dropped by 10.9 percent. **The decline in purchasing power of the market provided opportunities for enterprises to readjustment their composition of products. However, it was very difficult for any one to readjust the composition of the economy when he took into consideration the operation method of China's enterprises, the shortage of funds and capital, and the unmarketability of products in stock.**

Influence of Market Fluctuations on the Current Macroeconomic Policies

The austerity measures had basically arrested the tendency of inflation in the aggregate volume of society. Once the volume was suppressed, there were changes in

the market, which provided an opportunity for readjusting the composition. The current economic situation is to invigorate the economy, enterprises and the market, and to rationalize the economic relations, so as to create conditions for thoroughly eliminating the inflation. We should make use of the achievements made at this stage to realize the shift of focal point of the macroeconomic policies from the control of aggregate volume to the readjustment of composition, so as to achieve our ultimate goal of readjusting the national economy.

3. Contradictions That We are Facing

After a year long rectification and consolidation, the overall situation of the national economy has, to a certain extent, changed for the better. However, this is just the beginning, and we must not over-estimate the results in this respect. We must be sober-minded and realize that the preliminary success that we made in last year's rectification and consolidation was simply some superficial problems concerning the economic life. There has been no sign of easing or solving certain typical and fundamental profound problems. For instance, the aggregate demand of society is greater than the aggregate supply; the excessive distribution of national economic income and the dislocation of economic structure have existed for successive years; the economic results were declining; the capability of macroeconomic control over the economic operation is poor. Moreover, problems in the economic life, which were accumulated for a long time, were mixed with the newly developed contradictions, so that the profound contradictions remain there, and the contradictions that we were facing become more serious and acute.

Aggregate Demand of Society Continues to Exceed the Aggregate Supply, the Difference Between Supply and Demand is Still Great

Beginning last year, the aggregate demand, in particular, the scale of investment in fixed assets, was suppressed. Though we made achievements in certain aspects and the actual result was decreased when compared to 1988, it was still a long way from the target that was set in the beginning of the year. The present level exceeds the planned target by about 80 billion yuan. Though the growth in the consumption demand was slowed down, it still exceeds the speed of production development. The delayed net purchasing power of society exerts a great pressure on the supply. Since, in the course of the austerity program, changes in the composition of production did not conform to the changes in the consumption growth, and we had to guarantee an increase in the market supply while checking the excessively high growth rate of the economy, the price rise absorbed part of the supply-demand difference, and mitigated the 1989 supply-demand contradictions when compared to 1988. However, the supply-demand contradictions for the whole year were so acute that it has become an important issue for us to work out the best method for suppressing the social demand while increasing the effective supply.

The Dislocated Economic Composition Takes Some Time to Readjust, the Work of Readjustment Becomes More Difficult

The key of whether or not there will be new changes in China's economy rests with the work of remarkably improving the economic composition and the economic results under the prerequisite of successfully suppressing the aggregate demand. In the course of rectification and consolidation, the goal of suppressing the aggregate volume was to readjust the composition. The current economic situation provided us certain favorable conditions for readjusting the composition. However, such readjustment was far more difficult than controlling the aggregate volume. On the one hand, it was very difficult to put an end within a short time the situation in which the industry-agriculture proportion, as well as the internal proportion of industry, were seriously dislocated, and the regional as well as enterprises structures were deteriorating; and there was no time left for us because the present opportunity for readjustment only lasts very briefly. On the other, a solution for mitigating the economic contradictions was subject to a variety of constraints. For instance, a relaxed supply-demand relations should help speed up the pace of price readjustment, but this was restricted by a powerful pressure of interests derived from a distorted price parity of products. Furthermore, the work of controlling the price rise index made it difficult to promulgate many measures governing pricing. When readjusting the structure, it was necessary to close, suspend or merge some enterprises or to change their production. Since it was difficult to find another jobs for their staff, and an excessively high unemployment rate might cause social instability, we lacked an effective means of when readjusting the stock of industrial production. It was the same case in the increase of output because the functions of pricing were limited and the financial resources were scattered around. Therefore, it was difficult to solve within a short time the contradictions of the whole economic composition.

The Fiscal Situation Enters the Peak Period Upon the Repayment of Domestic and Foreign Loans, the Upset Balance in Revenue and Expenditures Will be More Prominent

The growth in fiscal revenue was slowed down because of the drop in the production growth, the poor economic results, the loss-incurred enterprises, and the increase of losses. Meanwhile, it was necessary for the fiscal departments to grant scores of 10 billion yuan of subsidies in order to control the price index. This, together with the fact that China enters in this year the peak period when it starts repaying its domestic and foreign loans together with interest thereon, put a heavy fiscal burden on the state. In particular, the proportion of the central government's fiscal revenue to the whole country's fiscal revenue was excessively low while its expenditures were numerous and its obligations were many. This has made

the central government encounter a shortage of sufficient financial support for developing its economic construction.

To Strengthen the Central Authorities' Capability of Macroeconomic Control, Contradictions in the Current Pattern of Interests are Still Very Prominent

In order to overcome the typical difficulties and stabilize the economy, we must, during the rectification and consolidation, appropriately centralize the authority, strengthen the central authorities' capability of macroeconomic control, and put an end to the present situation where the financial resources, material supplies and foreign exchange are scattered across the country, and where the duties, rights and interests of economic operations are inconsistent. It is very difficult to succeed overnight the diversified interests. A lot of work is yet to be done concerning the guidance of localities and enterprises to perform more duties while preserving their economic interests; and to be responsible for the development of the whole society and the entire national economy, in addition to the present development of their localities and enterprises.

This year is very important for the work of rectification and consolidation. We must further act and seek a common understanding in the spirit of the Fifth Plenary Session of the 13th CPC Central Committee, and correctly handle well the following relations: the recent rectification and consolidation measures should help maintain a long-term, stable and coordinated development of the national economy; administrative measures should be adopted, and constraint and regulation mechanisms should be established and perfected, so as to promote a standardized relations among various economic activities; there should be an appropriately slow economic growth and a steady growth in the fiscal revenue; the readjustment of the economic composition should match the degree of tolerance by society concerning unemployment, and the interests of the central authorities, localities and enterprises; and so forth.

Commentator Looks For 1990 Economic Focus

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[Commentator's article: "What Is the Focus of Economic Work This Year?"]

[Text] The "CPC Central Committee Decision on Further Implementing Improvement, Rectification, and Deepening Reform" proposed to basically complete the tasks for improvement and rectification in three years or longer, including 1989. Now 1989 has passed, and initial results were scored in improvement and rectification, with the entire national economy developing along a direction for the better. However, problems such as the accumulated social demand outstripping social supply and an irrational industrial setup have not found a basic solution, while some new contradictions have surfaced in the course of resolving existing problems. Improvement and rectification are entering into a very arduous phase. Therefore we may say that 1990 will be a crucial year to realize the tasks for improvement and rectification. Based on the requirements of the central decision and present realities, the State Council has determined that the general guiding idea for 1990 economic work is to make further progress toward the goal of improvement, rectification, and deepening reform as charted by the Central Committee under the prerequisite of maintaining social stability. This requires us to work very hard to keep the inflation rate and financial deficit lower than those of 1989, by continuously implementing tight credit and money supply. It is necessary to actively readjust the industrial setup, to work hard to improve economic results, and to maintain an appropriate growth of the national economy. In making arrangements for all items of work, it is necessary to genuinely embody the requirement of tightening our belts in the next few years, and to pay attention to unified planning with due consideration for all concerned. It is imperative to closely link improvement and rectification with deepening reform, and to deepen, readjust, supplement, complete, and perfect various measures for reform so they may be favorable and render service to improvement and rectification. To achieve this, it is necessary, in conducting 1990 economic work, to focus our attention on the following items:

First, it is necessary to make the agricultural sector come up with concerted efforts to strive for a good harvest in such major farm products as grain and cotton. The key to realizing steady growth in agricultural production is to earnestly implement central policies and measures for augmenting agriculture. They are mainly: to further stabilize, perfect, and complete the system of contracted responsibilities on the household basis with remuneration likened to output; to actively develop multiform service systems; and to increase input in agriculture. In this respect, agricultural investment has been increased in central arrangements, and all localities should also give priority to developing agricultural production with their financial resources. At the same time, they should actively guide the peasants to increase agricultural input, organize them to increase labor accumulation in agriculture, improve basic conditions for agricultural production, and actively spread a number of practical and economical results of agricultural science and technology. The effort to end agricultural stalemate, which has gone on for consecutive years, is of great importance to stabilizing the economy and the overall situation.

Second, it is necessary to conduct structural readjustment to improve economic results, and to work hard to maintain an appropriate growth in industrial production. It is necessary to actively increase production of energy resources and raw materials for commodities in short supply. In light and textile industries, it is necessary to reduce and keep production of oversupplied products under control, and to develop and increase marketable new products and varieties. Concerning the

electric machine-building industry, it is necessary to control and reduce production of products involving high energy consumption, to actively develop technological equipment serving basic industry, and to upgrade product quality and levels of whole-ranging products. It is necessary to adhere to and further complete and perfect the contracted managerial responsibility system with enterprises, to fully give play to the enthusiasm and initiatives of enterprises, workers and staff members, and to adopt effective measures to go all out to guarantee output increase of state-run large and medium-type enterprises that have a bearing on the national plan and people's livelihood with satisfactory economic results. At the same time, it is necessary to guide township and town enterprises on the road to healthy development based on the principle of readjustment, rectification, improvement, and elevation.

Third, it is necessary to continue reducing fixed-asset investment scope, and to readjust investment structure. In capital construction, general construction investment should be reduced in the main, and investments in key construction projects be increased, including agriculture, energy resources, and raw materials. In renovation and transformation, emphasis should be placed on saving energy resources and raw materials, improving product quality and quantities, increasing varieties of commodities in short supply, and expanding items that will bring in hard currencies through export. Construction of new luxury buildings should be strictly banned, and no additional items of processing industry should be allowed in principle. It is imperative to halt the phenomenon of waste in a down-to-earth way, to improve the economic results of investments, whether in building standard or key projects.

Fourth, it is necessary to continue the double-austerity principle with regards to finance and credit. In finance, it is necessary to increase income, to further reduce and control spendings, oppose waste, practice economy, and firmly save money that can be saved. Regarding credit, it is necessary to continue to strictly control credit scope and money supply, and to earnestly readjust credit structure based on the national industrial policy. It is necessary to continue to organize citizens' saving deposits to expand sources of funds for credit. All items of loans should be screened in a down-to-earth way, to reduce overspending of working capital, and to invigorate the existing volume of credit funds. The central bank's control of funds should be further augmented, and it should do a good job in prompt regulation.

Fifth, it is imperative to stabilize the market and to do a good job in making arrangements for people's livelihood. On the one hand, it is necessary to continue controlling excessive growth in consumption demand, to augment control over wage funds, to stop arbitrary distribution of bonuses, goods in kind, and subsidies, and to continue reducing the purchasing power of social groupings. On the other hand, it is necessary to do a good job of making arrangements for the production and supply of industrial products, people's daily necessities, meat, eggs and vegetables, and to invigorate circulation in every possible way. Through effectively controlling general social demand, it is necessary to strengthen market and price control to make price rise ranges lower than the previous year. It is necessary to actively open up the production realm, diversified management, and service channels to appropriately make arrangements for the unemployed.

And sixth, it is necessary to adhere to opening up to the outside world, and to better expand foreign trade, economic, and technological cooperation. To maintain a balance in foreign exchange, it is necessary to work hard to increase export, update export variety, improve export quality and quantity, be reputable in implementing contracts, improve marketing service greatly, and enhance competitiveness in the world market. At the same time, it is necessary to slash imports greatly, especially ordinary electric machinery, cars, and durable consumer goods that should be strictly restricted, and to firmly ban the import of foreign cigarettes, liquor, and cosmetics. It is necessary to continue to actively use foreign funds and to import advanced technology.

We believe that so long as the whole country from the top to the grass roots genuinely unifies their thinking and action on the basis of the spirit of the fifth plenary session of the 13th central committee, so long as we face squarely the difficulties in front of us, see all kinds of favorable conditions, brace ourselves up, and do our work well in a down-to-earth way, we are sure that we are capable of continuously overcoming the temporary difficulties at present, and can make progress toward the goal of improvement, rectification, and deepening reform set by the Central Committee, so that the 1990 national economy may make continuous, steady and harmonious progress.

Article Considers Enterprise Debts, Currency

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[Article by Fan Gang (2868 4854): "Enterprises' Debts and Issuance of Currency"]

[Text] The problem of "three-point debts" in the economy at present is becoming more and more serious. It has aggravated the difficulty in turnover of funds and affected the normal operation of some enterprises. The banking system has many times eased money and issued "re-starting funds." However, such measures only resolve the problem temporarily. Often, while earlier debts have been repaid, there are more new debts and the chain of debts become more and more entangled. Meanwhile, the central bank cannot issue currency without end to help untangle the problem, for that would mean abandoning the policy of tightening up, and letting inflation go up again, and structural adjustment will not succeed.

The Debts of State Enterprises Imply an Increase in State Issuance of Use Currency

Whether the debt chain can be untangled or not, we must first have a clear theoretical understanding of the problem. Enterprises' owing each other debts is not the same as currency issuance. However, the two are similar in that both are forms of credit relations. In the modern economy, currency, whether in the form of cash or savings, refers to legal fiduciary warranted by the honor of the state and issued by the state bank. In credit relations alone, enterprises owing each other debts differ from currency issuance only in the sense that the former stands for credit relations among enterprises whereas the latter stands for credit relations between the state and enterprises and between the state and the public. Our system used to be one of central planning with enterprises relating to one another only through the state. Therefore, enterprises that owed debts owed them only to the state. With the introduction of economic reform, enterprises has enjoyed greater autonomy. They have developed direct credit and debt relations among each other. An extensive debts chain has taken shape.

That enterprises owe each other debts happens in any modern economy. However, in China such debt relations are unique in several ways. First, the debt relations among state-owned enterprises are not guaranteed only by an enterprise's own ability or reputation to pay back. The state's reputation is taken into account too. The ultimate debtor of state-owned enterprises is the state. Therefore, in nature enterprises owing each other debts is similar to currency issuance which manifests the credit relations between the state and enterprises. Second, in quantity the two are also related. An increase in the debts of state-owned enterprises will in the end lead to increase in state issuance of currency. This is because under the present system, state-owned enterprises will not go bankrupt. For one reason or another, they are protected by different levels of government. Therefore, debts of state-owned enterprises will not come to an end or vanish with the bankruptcy of these enterprises. They will continue to exist indefinitely with the losing enterprises. To whom do losing enterprises owe debts? In the final analysis, it is to profiting enterprises that they owe debts, for they have used and consumed the products of profiting enterprises without paying the latter. In terms of the entire economy, profiting enterprises must be allowed to continue producing so as to let losing enterprises survive, otherwise there will be no source to supply subsidy on losses (which currently takes the form of enterprises owing debts). However, when the debts of losing enterprises reach a certain amount, the profits of profiting enterprises exist only on paper. In reality the latter are not paid back and are themselves unable to buy raw materials they need to keep normal production going. Those that should be closed down or stopped cannot be closed down or be stopped. The result is those that should produce cannot continue to produce. Therefore, the only way to keep losing enterprises going is to issue loans to them so that they can produce as usual. This is the actual economic relations behind the so-called "re-starting funds." Enterprises' debts cause currency issuance. The state issues fiduciary currency to fill the holes of losing enterprises.

The Actual Economic Effect of "Three-point Debts" is the Disintegration of the Policy of Tightening Up and Adjustment

From the above account, we can say that state-owned enterprises in effect indirectly issue currency. Legally and practically speaking, local governments or enterprises do not have the right to issue currency. However, since they can owe debts with the support of state reputation and their debts will eventually leave the state no option but to issue more currency, their owing debts is indirect currency issuance.

Actually, even if we assume that no enterprises are losing and all enterprises are making profits in a normal manner, as long as local governments and state-owned enterprises in the present system have the right to "refuse to pay back," this fact alone (which has been widely reported) shows that they in effect can indirectly issue currency. In reality many enterprises have not lost the ability to pay back. They try as much as possible to delay paying back. When the loans they have issued to others are paid back, they do not use the money to pay for their debts. When they have won new credit loans or "re-starting funds," they use them for some other purposes. If others owe them debts, they would be even less willing to pay their debts. (Each point of "three-point debts" provides a reason for not paying back.) When the debtor cannot pay back, the creditor is short of funds for circulation and production has to stop. From the perspective of the entire economy, this means the balanced development of social production and the reasonable mix of resources and social productive forces are damaged and the economic structure is further aggravated. These enterprises that are creditors should not have been forced into such a crisis. To help them resolve their imperative problem, the central government has to increase lending to them. However, increase in amount of currency cannot change the special behavior of localities and enterprises, and so "re-starting" and "re-stopping" repeat themselves, and the debts chain is entangled, untangled, and entangled again. The problem is never truly resolved.

In the past, there was no limit on currency supply, the special effect of enterprises' debts was not evident. Once the central government adopted the policy of tightening up on currency, this effect became clear. The actual economic effect of "three-point debts" lies in disintegrating the policy of tightening up and adjustment.

In principle, no one likes to owe others money. Chinese have always respected the good tradition of paying back debts as soon as they can. Therefore, if one does not pay back a debt there must be a reason for it. The debtor must have some purpose in mind and remaining a debtor must bring him more profits than not. Why do localities and enterprises borrow or refuse to pay back even when

they can? The reason can only be that they want to contend for resources in short supply so as to maintain and expand production in their locality or enterprise. Debts and currency are not only accounting symbols. Economically they represent purchasing power for resources and products in short supply. When an enterprise has secured a loan, it means it has secured purchasing power for products of the enterprise that lends. Resources (including products of means of production) are not just materials, economically they are sources of income. The more resources one has purchased and used, the larger his share is and the better his days are. (When localities and enterprises have obtained a large share, the central government tries to regain part of it by issuing currency to cover the deficit.) If not for their vested interests, no one would like to be a debtor. Under the present system, localities and enterprises are in the difficult position of having to turn over the required amount of taxes to the state as well as to keep their staff employed. When the policy of tightening up and adjustment is in force, their days are more tough. They try all means to survive. They appear justified to borrow since they feel that in doing so they are actually helping state-owned enterprises and the people. The implication of "enterprises indirectly issuing currency" lies in the fact that behind the currency phenomena of increased currency and expanded total demand exist complex interest relations and conflict of interests. Often, currency is not issued from above. People "squeeze" it out. Everybody contends for a share of a fixed-sized pie (limited resources and national income). As a result, what they squeeze out is not oil, but air, i.e., currency of large figures but continuously depreciating value. Our total demand in some years in the past did not stop expanding, and we had no success in tightening up. The reasons for it are many, an important one being competition among interest mainstays at the grass-roots level for benefits and their employment of such means as borrowing funds and increasing currency issuance to compete. (Local governments can for a certain period of time directly "order" local banks to increase their loans to enterprises and public institutions.) Since no one likes to be hit by the policy of tightening up and adjustment, all localities and enterprises try to protect their own interests. This results in three-point debts and the inability of "re-starting funds" to re-start. Total demand is again expanding, and structural adjustment cannot proceed smoothly.

The above analysis shows clearly that it is not convincing to simplistically attribute the entanglement of debt chains to unreasonable price relations or unreasonable economic structure. Price relations themselves are a combined manifestation of all kinds of interest relations. In the past we made much effort to adjust price relations. After each adjustment some aspect of price relations became reasonable for some time, but afterwards all interest mainstays under the present system again vied for interests, price parity returned, and price relations became unreasonable again or even more unreasonable than before. We also talked about structural adjustment all the time, but had not been able to effectively carry it out. When we did carry it out, afterwards it worsened again. At the end we had to introduce something at a large scale. (There is the danger that if a large-scale act fails, everything else is negatively affected.) It is impossible to explain all this without understanding the special interest relations and special behavior of all interest mainstays.) An economic system has its own law and consequences of operation, and the characteristic of the law is that it cannot be changed by man's will.

Therefore, whether our goal is to seek long-term or temporary resolutions, the fundamental issue is to further reform the present economic system. We should gradually build an economic system in which society recognizes, respects, and protects (at least does not hurt) each interest mainstay's pursuit for its own interests as long as in doing so, it promotes the collective welfare of society. However, each interest mainstay must be responsible for its own risks and losses and not rely on society or the state for them. Society must not secure economic stability at the price of handicapping or restricting the creative activities of each behavioral mainstay. At the same time, it has to be able to keep within bounds and sanction all irresponsible behavior that hurts others. We cannot attain this goal by "summoning" or "ordering" people to do this and that. We need an economic system and legislative means as a base and protection. Human behavior is determined by the economic and social relations people are in. This is a basic principle of Marxism.

Article Views $5 Billion Trade Surplus

HK1602024390 Beijing JINGJI RIBAO in Chinese 24 Jan 90 p 1

[Article by staff reporter Jiang Bo (1203 3134): "What Does the Favorable Trade Balance of $5 Billion Imply?"]

[Text] According to this newspaper's yesterday account, our country had a foreign trade surplus of U.S.$5 billion in 1989. This figure gives us the following important message: The nation's foreign exchange balance has increased to a very large extent. We should feel elated by this really great event in our country's economic life.

What does the $5 billion imply? The figure is equal to nearly five times the country's total volume of imports and exports in 1950, or close to the volume of exports in the country's 1973 foreign trade. It is also equal to one-eighth of our country's total volume of imports last year, or one-eighth of the nation's current total foreign debts. Should we not feel elated and encouraged by such a trade surplus?

The $5 billion trade surplus did not come about easily. In foreign trade, the total volume of our country's exports last year amounted to $43.28 billion, or an increase of 6.5 percent over the previous year. Remember that at the beginning of last year, our country's foreign trade was confronted with unprecedented difficulties—prices went up in domestic markets, with

prices for export commodities rising by a particularly big margin; the supply of export goods was strained, with the supply of major export goods dropping especially; the order in the circulation fields was confused and the order in foreign trade even more confused; not a few people were worried about a decline in foreign trade and a slide in the export sector, doubting our country's ability to repay its foreign debts. The facts were not promising. While exports in our country's trade with other countries were dropping in volume month after month, disturbances and a rebellion occurred in Beijing at the turn of spring and summer and some Western countries imposed "economic sanctions" on our country. Therefore, one could say that the export sector in our foreign trade was beset with difficulties of all kinds. Against this backdrop, the $5 billion trade surplus was probably beyond anybody's wildest expectations. This shows that China is able to readjust its economic development and extricate itself out of a difficult economic position and also indicates that it is able to repay its foreign debts. It is thus not necessary for foreign entrepreneurs and economists to be heavyhearted. It also illustrates that China has become intensely involved in international economic activities. In the face of the "economic sanctions" imposed on it by some Western countries, China will not close its already open doors to the rest of the world.

The $5 billion trade surplus tells people: It was very necessary to improve the economic environment and rectify the economic order. Without doing this, the flames of such "wars" as the wool war, cotton war, and Chinese chestnut war, would have raged everywhere; "briefcase" companies of all descriptions would have sprung up everywhere; price indexes would have continued to spiral up endlessly; and foreign exchange black markets would have run rampant everywhere. It can thus be said that without the improvement and rectification program, the gratifying foreign trade surplus would have been out of the question.

The most important revelation that the $5 billion trade surplus makes is that reform and opening up to the outside world is the true road to make our country strong. Today as the international economy is becoming more and more integrated, socialist modernization cannot be achieved through national seclusion. The 10 years of reform and opening up to the outside world have enabled our country to get involved in the international economy on a large scale. Our country's current export volume has accounted for more than 10 percent of its gross national product, and the import-export volume in its foreign trade moved up from 32d place in the world to 16th place. The 3,500 or more technology contracts and imported equipment worth some $20 billion have rapidly raised Chinese society's technical level. More than 20,000 Sino-foreign joint ventures, Sino-foreign cooperative enterprises, and wholly foreign-owned businesses have been set up, and the achievements made in this regard are remarkable. Last year these foreign-funded enterprises earned as much as $3.59 billion in foreign exchange through exports. Reform and opening up to the outside world have brought knowledge, wealth, and vitality to China. To further raise our country's technical level so as to gain better economic results, achieve a sustained and steady growth in the total volume of imports and exports in its foreign trade, and maintain a necessary foreign trade surplus to service foreign debts, we should persist in reform and opening up to the outside world more actively and reliably and with a freer hand.

True, the $5 billion foreign trade surplus is gratifying, but compared to the trade surpluses of the developed countries, such as Japan and the FRG, this figure is rather small and cannot be considered impressive even if compared with those of some developing countries and regions. Moreover, last year our country appropriately cut some imports. On no account does import cutting mean that China will close its doors and pursue trade protectionism. China will not close its doors. It did not have any alternative but to cut imports. As everybody knows, China is a developing country that badly needs to import industrial equipment of relatively high technology, raw and semifinished materials for production, and necessities for daily life. However, only when China exports more and clears its foreign debt payments can it import more. This is just common sense. It is our belief that any unprejudiced economist in the world would understand and appreciate this argument.

Since the beginning of the new year, the country has been going full steam ahead. At present the world economy is continuing to boom and the international market remains brisk. Recently our country appropriately adjusted the renminbi exchange rates and set out to revise the law on the operation of joint ventures using Chinese and foreign investment. This will have a positive influence on the expansion of exports, utilization of foreign capital, and development of economic and technological cooperation in other fields of endeavor. Against this new background, it should be said that the $5 billion trade surplus in 1989 is a beginning rather than an end.

Office Serves Foreign-Funded Enterprises

OW1502212890 Beijing XINHUA in English 1158 GMT 15 Feb 90

[Text] Beijing, February 15 (XINHUA)—The Beijing Certified Public Accountants Office enjoys a good reputation among the foreign-funded enterprises it serves in the capital.

The office was set up in 1981. With about 350 certified accountants, it is responsible for capital verification and annual auditing.

It also handles the liquidation of joint-ventures when their contracts expire or when they close or go bankrupt.

In 1988, a Hong Kong businessman, who established a joint-venture in Beijing and reinvested his profits, failed to get the tax benefits to which he was entitled under the preferential policies.

The office discovered the omission when checking the accounts and helped the businessman to get back 46,000 yuan.

The office has also provided feasibility studies for 400 foreign- funded businesses in the past few years.

It has signed co-operation agreements with Deloitte Haskins [words indistinct], Touche Ross [word indistinct] Co. and Arthur Andersen [word indistinct] Co. in the United States to open up new business areas.

Tian Jiyun Views Mitigating Natural Disasters

OW1602025490 Beijing XINHUA Domestic Service in Chinese 1142 GMT 12 Feb

[Speech by Tian Jiyun, vice premier and chairman of the China Committee of the International Decade for Mitigating Natural Disasters: "Go Into Action and Vigorously Carry Out the Activities for the Decade for Mitigation of Natural Disasters in China"; televised on 12 February]

[Text] Beijing, 12 Feb (XINHUA)—

Comrades:

The 44th UN General Assembly adopted the "Resolution on the International Decade for Mitigating Natural Disasters" and the International Program of Action for the International Decade for Mitigating Natural Disasters." This is another important resolution since Resolution No. 9, adopted by the 42d UN General Assembly on 1 December 1987, which designated the years 1990 to 2000 as the international decade for mitigating natural disasters. This resolution reflects the common will of the people of all countries to combat natural disasters, and will have a far-reaching impact on the progress of mankind.

Natural disaster is the common archenemy of mankind, who is seriously threatened and challenged. Since ancient times, natural disasters have inflicted casualties and sufferings on mankind. Related statistics show that, in the past 20 years, more than 800 million people have been afflicted by natural disasters, resulting in some $100 billion in losses. Nowadays, the natural environment throughout the world is quickly worsening, and the existence of more than 20,000 species of animals and plants is being threatened, including some 5,000 species which are on the verge of extinction. This shows that mitigating natural disasters has become an urgent task for mankind.

China is a big country with a huge population and a vast land area. It is also a developing country that experiences many natural disasters. There have been frequent occurrences of natural disasters like floods, drought, typhoons, hailstorms, earthquakes, avalanches, mudslides, plant diseases, and insect pests. All this has inflicted serious losses on the lives and property of the people and has become a major factor inhibiting economic development. In an ordinary year, in addition to the thousands of casualties, natural disasters would affect some 300 million mu of crops, resulting in a decrease of harvested grain by some 40 billion jin, and would cause some three million houses to collapse. Losses in these two areas alone would cause direct economic losses of more than 10 billion yuan a year. If the losses in transportation, communications, power, irrigation facilities, cultural, educational, and health facilities, mining enterprises and urban construction are taken into account, the economic losses would amount to tens of billions of yuan. China is a country frequently afflicted by natural disasters. The next decade will be crucial for achieving the goal of China's national economy, namely, to quadruple the industrial and agricultural output value. Therefore, effectively carrying out the activities for the decade for the mitigation of natural disasters is a matter of great importance.

Since the founding of the PRC, the party and Government have attached great importance to the work of mitigating natural disasters. They have formulated principles and policies suitable to China's conditions, and allocated large amount of manpower as well as material and financial resources in this connection, thereby saying down a certain groundwork for mitigating natural disasters in China. Last April, the State Council established the China Committee for the International Decade for Mitigating Natural Disasters in order to coordinate the efforts of all departments in mitigating the aftermath and losses of natural disaster. We hope departments concerned will make common efforts to ensure success in this work.

1. Stepping up efforts to publicize the activities to mitigate natural disasters and educate the people in this regard. These activities are supposed to involve the whole people. Only by widely and thoroughly publicizing these activities over the mass media can we heighten the sense of the public in mitigating natural disasters. Only then will this work strike deep root in the public's mind, and the measures effectively enforced to yield good results. Therefore, it is necessary to step up the efforts in publicizing the activities on mitigating natural disasters and educating the people in this regard, and make the people of all nationalities better understand the importance of mitigating natural disasters, so that these activities will gain extensive support from the masses.

2. Mitigating natural disasters is a systems project involving many departments and fields. All society should be involved in carrying out this project in a planned and organized manner. We should realize the importance of mitigating natural disasters to promoting social and economic development, and incorporate it into the strategic plan for economic and social development. Economic development should be closely integrated with the activities to mitigate natural disasters, the efforts to eliminate hazards and build beneficial

projects should be combined, overall arrangements should be made and systematically implemented, so that the work of mitigating natural disasters is conducted in full force to yield comprehensive results. In drawing up programs and implementing the annual plans, the committee for mitigating natural disasters should act as an organizer and coordinator. Departments concerned under the State Council should divide the work into areas of responsibility, and fully cooperate. Authorities concerned should also follow the requirements of the plan and list this work as an important item in the agenda for discussion to be implemented without fail.

3. To mitigate natural disasters, it is necessary to follow the principle of giving first place to prevention and combining preventive measures with relief efforts. Disaster-prevention facilities should be reinforced in case disaster strikes. Summing up China's successful experience in preventing disasters over the years, in the future, we should continue to plant trees and forests, do a good job of water and soil conservation, harness rivers, build farmland irrigation projects, and improve facilities for combating and preventing disasters in cities located in disaster-prone and hazardous areas, to increase the ability to prevent and resist natural disasters. We should gradually develop a system of information on disasters and improve our ability to forecast natural disasters. Plans should be made in advance for coping with major natural disasters, so that effective action can be taken promptly to hold down the losses the natural disasters might bring. However, it is impossible to completely avoid natural disasterss. Therefore, while stepping up efforts to prevent disasters, it is imperative to keep our rescue forces adequately staffed and equipped, and improve the measures for combating natural disasters. When disaster strikes, we should go all out to deal with emergencies and conduct rescue and relief work, take care of the victims' livelihood, restore production, and rebuild homes. It is worthwhile to put in more funds. Otherwise, the fruits of labor over the years would be destroyed in a moment when disaster strikes, and the consequences would be unthinkable.

4. To mitigate natural disasters, we should rely on science and technology. It is necessary to intensify scientific research on natural disasters, vigorously publicize and apply the existing achievements in scientific research, constantly reveal the origins and the patterns of development of natural disasters, offer countermeasures for mitigating natural disasters, and closely combine scientific research with the comprehensive measures in coping with natural disasters to ensure the smooth progress of the activities to mitigate natural disasters in China.

5. "The Decade for Mitigating Natural Disasters" is a unified world act requiring international contacts and cooperation. We should widely carry out bilateral, multilateral, regional, and international cooperation to exchange information, learn from the experiences of the advanced, and try to obtain international aid, while aiding foreign countries well in order to contribute our share to the international activities to mitigate natural disasters. In this respect, the committee for mitigating natural disasters should unify and coordinate efforts and deal directly with foreign countries.

Comrades: Our great achievements in mitigating natural disasters have attracted worldwide attention. The task will be more arduous in the future. We believe that, as long as we have the support and participation of the people throughout the country, and the close cooperation of the governments and departments concerned at all levels, the efforts to mitigate natural disasters in future will yield even greater results.

Let the people throughout the country go into action and strive to reduce the losses natural disasters might bring.

Article Criticizes Land Privatization Concept

HK1602090790 Beijing GUANGMING RIBAO in Chinese 20 Jan 90 p 3

[Article by Xiong Jiangyong (3574 1696 0516): "China Cannot Practice Privatization of Land"]

[Text] A comparison of various kinds of landownership introduced by all countries throughout the world tells us that the landownership a country introduces mainly depends on its actual national conditions, its social system, its production capability, and its development strategy.

China is a big developing country with insufficient land resources and a big population. China's basic natural and economic conditions are that it has to rely upon its cultivated land, which accounts for seven percent of the total arable land world-wide, to feed its population, which makes up 20 percent of the world population, and has to also realize four modernizations under the circumstances; while China's basic requirement in terms of social system is that it has to insist on taking the socialist road. Privatization of land is disadvantageous to the consolidation and improvement of the socialist system, to the development of productive forces, and to the smooth implementation of the reform and open policies.

Land Privatization Is Total Negation of the Socialist System

The public ownership of the means of production is the basis on which the socialist system can survive and also the most basic economic characteristic of the socialist system, while land is a rare and the most precious means of production for human beings. Therefore, the public ownership of land is the basis of the socialist system. The process of the Chinese revolution shows that the establishment of the socialist system involves a revolution during which the private ownership of land is replaced by the public ownership of land, and the development of the socialist system is a process during which the public ownership with land as its core is constantly consolidated and improved. Therefore, the public-owned economy with land as its nucleus is the basis on which the socialist system can survive. Taking away the public

ownership and practising privatization of land amounts to basically negating the new-democratic revolution, and the socialist system.

Land Privatization Runs Counter to Basic Marxist Viewpoints

Marx pointed out: "It is necessary to promote the transition from the private ownership of land to the collective ownership of land from the outset, and allow the peasants to materialize this transition by economic means. But we must not take measures that offend the peasants." ("The Complete Works of Marx and Engels," volume 18, page 695) We did follow these Marxist basic viewpoints in the past: We successfully set up the landownership by the whole people in the urban area and the collective landownership in the rural area. But we failed to allow the peasants to practise collective landownership by economic mean. Instead, we were overanxious for transition and upgraded the landownership artificially causing great harm to China's agriculture and the national economy. The rural reform is aimed at improving and developing the collective landownership in the rural area. Though there are still many problems with the collective landownership and the ways the land is managed following the expansion of the commodity economy, but the problems can by no means be solved by privatization. Fundamentally speaking, collective landownership itself is not to blame for the present problems with the landownership in the rural area; the problems are caused by the fact that the ways the land is utilized fail to be geared to the commodity economy and leave much to be desired. We cannot negate its existence for the reason that it is imperfect.

Land Privatization Is Advantageous to Rational Utilization of Land

With a big population, which consumes a great amount of grain, and insufficient land, it is all the more necessary for China to utilize its land in a rational way. An important reason, apart from the social system, for some capitalist countries to introduce private landownership is that they are rich in land resources, and the relations among population, grain, and land are not as strained. Take the United States for example. Though its per mu yield is only 200 kg, it has more per capita arable land. As a result, it can export a large quantity of grain because it can grow more grain than it needs. For China, a developing country with a low level of modernization and limited capital input, any waste and a lower utilization rate of land resources would impose a threat to agricultural production and development of the national economy. In the present stage, as the comparative earnings from agricultural production are low, and farmers' economic performance is of a dual nature, namely, they grow grain for self consumption and for selling it as a commodity, privatization of land would lead to a large quantity of land changing into nonagricultural land, and on the other hand it would be disadvantageous to the state's plan for exploiting land on a large scale, and to the realization of the state's strategic goal of transforming moderate- and low-yield fields, increasing arable land, and stabilizing per-capita possession of cultivated land. Again, land privatization would bring about land tenancy relationship, popularize exploitation through land rent, and lead to predatory management of land.

Land Privatization Is Disadvantageous to the Development of Modern Agriculture

At present, the principal contradiction that prevents China's agriculture going modern is the system of allotting responsibility for tilling a small plot of land, which is characteristic of egalitarian distribution. The system causes an enormous agricultural labor force to be stranded on the narrow cultivated land and makes it difficult to increase agricultural productivity and marketable farm produce. Therefore, concentration of land and large-scale management is the only way for modernizing China's agriculture. The prerequisite for achieving this goal is rational transfer of the right to use land. But privatization of land will hinder the relevant process. In modern society, land shortage and high land price go in tandem. When privatization of land is introduced, the land owner will regard possession of land as a means to resist inflation and to obtain low-priced agricultural products. Even if the land has been transformed into a commodity, the land owner usually chooses to possess the land in the form of a combined occupation [jian ye 0369 2814] and manages the land poorly instead of selling or leasing it out so that it will be more difficult for the land to be transferred and concentrated. Clearly, privatization of land is a stumbling block for developing modern agriculture.

China's experience in practising socialism over the last 40 years shows that landownership by the whole people in the urban area and collective landownership in the rural area remain the most effective form of property right at present and for a comparatively long period to come. Reform and opening and expansion of the commodity economy set a new and stricter demand on the existing landownership, and the principal problem centers on how to facilitate transfer of land-use right with compensation and how to, given the above condition, realize concentration of land and large-scale operation. For the arable land in the countryside, the conditions for upgrading the landownership do not exist at present. Therefore, the best way for stabilizing the existing agricultural policy and promoting a sustained, stable, and coordinated development of agricultural production is to consolidate and improve the present collective landownership and take different land management measures in light of natural and economic characteristics in different areas.

Commentary on Checking Land Abuses

HK1902095090 Beijing RENMIN RIBAO in Chinese 5 Feb 90 p 2

["Short Commentary": "Investigate and Affix Responsibility for Those Who Overstep Authority in Approving Use of Land"]

[Text] Effectively protecting and cherishing arable land, along with properly using each inch of land is a basic national policy in our country. The Land Management Law formulated and promulgated by the state precisely demonstrates this national policy. The law strictly specifies the scope of authority for governments at various levels to approve the use of land for construction purposes. All the stipulations of the law have a legal binding force, and governments at all levels and the departments concerned must resolutely implement the stipulations.

As this report shows, all kinds of lawbreaking practice in approving the use of land beyond the scope of authority still exist widely in some localities. Some county governments even knowingly violated the law by approving the use of land beyond the scope of authority for a provincial-level government. This is absolutely intolerable.

Why is it hard to check the evil practice of abusing farmland in some localities over a long period of time? An important reason is that the pen which determines the fate of the land has not been really brought under control. In order to seek their immediate and partial interests, some local governments were rather generous in approving the use of land, and did not hesitate to approve the use of tens, hundreds, or even thousands of mu of land for construction. They simply ignored the laws laid down by the state and gave no consideration to the long-term interests of the future generations of our nation. Such lawbreaking practices must be resolutely checked, and those involved should be punished.

In view of such problems, the State Council demanded that governments at all levels organize the departments concerned to inspect the use of land for construction in the next three years, and seriously handle the land abuse cases. The State Council also instructed the Ministry of Supervision and the State Land Administration Bureau to investigate and handle some serious cases of approving the use of land beyond the scope of authority. This is a major step toward ensuring the all-round implementation of the Land Management Law. Governments at all levels must act according to the requirements of the State Council, and properly fulfill this task.

Commentator Writes on Tobacco Production

HK1702072290 Beijing RENMIN RIBAO in Chinese 4 Feb 90 p 2

[Commentator's article: "Persist in Planned Growing, Increase the Per-Unit Yield of Tobacco"]

[Text] The State Council recently approved appropriate increases in the purchase prices of flue-cured tobacco. This is an important measure facilitating implementation of the "planned growing, raising the per-unit yield, improving the quality, and attaining better results" policy. It will also ensure the steady development of tobacco production.

Tobacco is an important industrial crop and the basis for developing the tobacco industry but there is a contradiction in developing tobacco production in that it contends with grain production for land. Because China has a population of 1.1 billion, feeding these people still remains a problem of primary importance in the national economy. Therefore the acreage under tobacco should not be expanded at will; tobacco should be planted in a planned way. Years of experience suggest that it is appropriate to maintain the country's tobacco acreage between 18 and 20 million mu. Apart from solving the contention with grain and cotton production for land, this will also be beneficial to the sustained and steady development of tobacco production.

With this fixed tobacco acreage, the key to solving the contradiction between supply and demand for tobacco is to raise the per-unit yield. The country's per-unit yield currently stands at an average of only 120 kg. If this can be raised to 135 kg after years of efforts, 18 million mu of tobacco can basically cope with cigarette production needs. Many localities have witnessed advanced examples over the last few years. For example, Shandong Province planted 10,000 mu of good quality tobacco last year, with a per-mu yield of 155.5 kg and high-grade tobacco accounting for 39.2 percent. There are not many such examples for the present but this one represents the orientation for China's tobacco production.

Improving tobacco quality is a precondition for increasing the per-unit yield. Many localities have done a great deal of work over the last few years in improving tobacco quality. The country's percentage of high-grade tobacco has risen from 3.7 percent in 1985 to 11 percent at present. But taken as a whole, tobacco quality and the percentage of high-grade tobacco cannot meet the development of the cigarette industry or market needs. The percentage of high-grade tobacco in Baofeng County, Henan Province, has risen to 17 percent after 3 years of effort. If high-grade tobacco throughout the rest of the country could achieve this percentage, China would be able to increase high-grade tobacco production by 2.5 million dan and good quality cigarettes by two million boxes. This would help improve market supply and increase the peasant incomes and state revenues. There is potential for improving tobacco quality. It is completely possible to improve tobacco quality so long as our measures are good and we work in a down-to-earth manner.

The adjustment of flue-cured tobacco prices is a solution to rationalizing the tobacco farmer's income. Apart from prices, there other methods that can help display the tobacco farmer's initiative in production, such as retaining the necessary subsidies for tobacco production; reducing irrational charges imposed on tobacco farmers; and supplying chemical fertilizers for tobacco production and the necessary coal for flue-curing tobacco. All this will remove their misgivings.

In keeping the development of tobacco production steady, it is first of all necessary to maintain the consistency and stability of the relevant policy. In this year's tobacco production, plans and management should be strengthened, blindness should be overcome, confusion in production should be straightened out and, in particular, attention should be paid to preventing a "tobacco war." When purchasing tobacco, state standards should be observed and the price policy seriously put into effect, to lay a good foundation for the long-term development of tobacco production.

East Region

Jiangxi Export Volume Increases in 1989

OW2102120190 Nanchang Jiangxi Provincial Service in Mandarin 1100 GMT 12 Feb 90

[Text] In 1989, Jiangxi's export volume rose by a wide margin. The total export volume amounted to U.S.$510 million. More than 22,400 batches of export commodities worth 990 million yuan of renminbi were inspected by Jiangxi's commodities inspection departments, an increase of 58.6 and 33.7 percent, respectively, over 1988. Commodities which passed the first inspection in 1988 were frozen pork, fur products, cattlehide, bristles, and liquors. The majority of the export commodities in the province, such as down and feathers and their products, tangerines, canned food, tea, ceramic products, shoes, garments, handicrafts, refrigerators, and machinery, failed to pass inspection on the first occasion. In 1989, the value of the commodities failing to pass inspection for the first time was 47.93 million yuan, a rise of 50 percent over 1988. The ratio of substandard products per batch was 17.3 percent, a rise of 8.6 percent over 1988.

The main reasons for the drop in the quality of export commodities in 1989 are as follows: 1) Relevant departments failed to supply raw materials on a timely basis; 2) some enterprises continued to use outdated production equipment and thus failed to upgrade the quality of their products; 3) the professional quality of enterprises' production personnel declined; and 4) production technology for some products needs to be upgraded.

Jiangxi Reports 1989 Cash Crop Results

OW1602074890 Nanchang Jiangxi Provincial Service in Mandarin 1100 GMT 12 Feb 90

[Text] In 1989, Jiangxi Province saw a large increase in the output of most of its cash crops.

Last year, our province adopted a number of steps to increase the production of cash crops that have a ready market. These steps included readjusting the planting structure, reclaiming waste land, and increasing the multiple cropping index. For the first time, the province increased its area sown with cash crops to more than 10 million mu. As a result, the output of various kinds of cash crops increased by a wide margin. The total output of cotton reached 50,000 metric tons, up 56.3 percent compared to the previous year; that of oil-bearing crops reached 374,000 metric tons, up 14.9 percent. Of the latter, the output of peanuts accounted for 51,000 metric tons, up 9.4 percent; the rape seed output reached 199,000 metric tons, up 13.7 percent; and the sesame output reached 27,000 metric tons, up 80 percent. The output of jute, ambari hemp, and ramie exceeded 13,000 metric tons, up 28.1 percent from the previous year. The output of cured tobacco reached 9,000 metric tons, up 12.5 percent.

Rural Shandong Industrial Output Value Increases

SK0401024890 Jinan Shandong Provincial Service in Mandarin 2300 GMT 3 Jan 90

[Summary] The 1989 annual output value of Shandong's rural industries exceeded 50 billion yuan, an increase of more than 30 percent over the previous year.

Southwest Region

Tibet Foreign Trade Increases in 1989

OW1502202890 Beijing XINHUA in English 1035 GMT 15 Feb 90

[Text] Lhasa, February 15 (XINHUA)—The foreign trade of the Tibet Autonomous Region jumped 39 percent to 30.67 million U.S. dollars in 1989, despite the turmoil in Lhasa early last year.

Direct exports reached 9.85 million U.S. dollars-worth, 33 percent more than in the previous year.

Officials of the regional commission of foreign economic relations and trade said that the slack international market brought great difficulties for Tibet's exports of agricultural produce and animal husbandry sideproducts last year.

Tibet's main export items include wool, ox hair and medicinal herbs.

On the prospects of foreign trade this year, local officials said that they are optimistic as the foreign trade companies have orders on hand worth 15 million U.S. dollars and sufficient stocks of commodities.

Book Discusses Tibet Population, History

HK2401013090 Beijing CHINA DAILY in English 24 Jan 90 p 4

[By Zhang Kewen]

[Text] To most people today Tibet remains a mysterious land. For centuries, its unique geographical location—more than 4,000 metres above sea level on the average and surrounded by high mountains—has made access to it extremely difficult. Today, it is the only provincial-level region in China to have no railway.

To make Tibet better known to the world, the China Tibetanology Research Centre has presented a Tibet series to cover various topics in Tibetan politics, economy, history, religion, and culture. "Changes in Tibetan Population," written by Zhang Tianlu, an associate professor at the Beijing Institute of Economics, is one such book. Published in Chinese in 1989, the book is scheduled to be published in English and Tibetan.

Zhang, a specialist who has written much on the population issue of China's minority nationalities, wrote the book because, as he said in the introduction, of the Tibet nationality's unique geographical location. Issues about

the Tibetan population have always been an important subject in terms of studying the nationalities' populations. Moreover, Tibet serves as a very typical example of how changes in the mode of social production have caused changes in population.

The book, with 61,000 Chinese characters, is divided into seven chapters, entitled "The Scale of the Tibetan Population," "Distribution of the Tibetan Population," "Marriage and Births of the Tibetan Population," "The Physical and Cultural Quality of the Tibetan population," "The Occupational and Professional Composition of the Tibetan Population," and "Discussions on Tibetan Population Issues."

Impression

A general impression of the book may be that it is quite incisive—many of the questions Zhang chose to address are interesting. For instance, how large was the Tibetan population in ancient times? Has the population growth become slower or faster in Tibet since the founding of the People's Republic in 1949 and after the 1959 democratic reform? And is the population growth in Tibet in recent decades mainly caused by the immigration of Han people?

Another feature of the book is that it is quite convincing in its conclusions on controversial issues, because it bases its argument on full statistics from historical records, population censuses, on-the-spot surveys, previous academic studies, etc . Actually, as Zhang said in an interview with CHINA DAILY, the book tries to clarify some confusions about Tibet. For instance, some Tibetan fugitives abroad claim that huge numbers of Tibetans were killed in the Tibet democratic reform, causing the Tibetan population to drop sharply. The book presents a "population pyramid" chart in analyzing the age structure of the Tibetan population. The population pyramid of Tibet in 1982 was smallest on the top, referring to the percentage of the oldest age group (above 85) in the total population, and the largest on the ground, referring to the percentage of the youngest age group (0-4) in the total population, with each age group larger than the group on top of it. This suggests that the Tibetan population has increased regularly and that the massacre claim is groundless.

Tibet in ancient China was called Tubo, which in its prime period was much larger than today's Tibet Autonomous Region, covering also Qinghai Province and part of Sichuan and Gansu Provinces. The population of Tubo can only be estimated, as Tibet did not have a registration system until recent decades. The book compared many estimates of Tubo's population, varying from 10 million to about 4 million, and pointed out their untruthfulness. The Tibetan-language historical record put the Tibetan population in today's Tibet at about 3.2 million in the 7th Century. Still, this figure is somewhat exaggerated, as Tibet at that time probably was not able to feed so many people, the book said.

In the 13th Century, when Tibet was incorporated into China's Yuan Dynasty, the central authorities conducted a sample survey of the Tibetan population, which put the population in Tibet at about 1 million.

In the Qing Dynasty, the central government from 1734 to 1736 conducted a quite detailed census in Tibet and found about 1 million people living there.

Liberated

In 1951, Tibet was peacefully liberated by the Chinese People's Liberation Army [PLA], with its original government system left unchanged. The local government in 1953 presented an estimated figure of 1,274,000 in the Tibetan population. The figure, however, was understandably a little bit exaggerated, as the local government wanted to show its strength to the central government, according to the book's analysis.

In 1964, when a nationwide population census was conducted in China, a more accurate estimate put the population in Tibet at about 1,250,000, of whom 1,208,000 were Tibetans.

Besides the possibility that the 1953 figure was slightly exaggerated, the reasons accounting for the smaller figure of 1964 were that a growing number of Tibetans were sent to other parts of the country to school, and that more than 90,000 Tibetans, including 74,000 from Tibet, left the country to follow the Dalai Lama after the armed rebellion was crushed in 1959.

The 1982 population census found 1,892,000 people living in Tibet, with 1,786,500 being Tibetans. In 1986, the number of Tibetans in Tibet increased to 1,950,000. It is expected that at this growth rate—2.2 percent annually—the number of Tibetans will increase to 3.9 million by 2022, doubling the figure for 1986.

In addition, there were about 2.1 million Tibetans living in other parts of the country in 1982, chiefly in Sichuan, Qinghai, and Gansu Provinces.

Based on these statistics, the book develops its theme that Tibet has enjoyed a rapid population growth since the 1960s after a centuries-long standstill, as it has ushered in a new social system.

The book admits that the high-plateau climate, the infertility of the land, and the limited area of cultivated land and grassland seriously affected the growth and existence of the Tibetan population in the past.

But the decisive factor for the long-term standstill in population growth was the backward social and economic conditions caused by the serf system.

With full statistics, the book proves that before the 1959 democratic reform, about one-fifth of the Tibetan women were infertile, due to poor living conditions and medical facilities. Also, the death rate was extremely high. In 1925, for instance, about one-third of the population in Lhasa died of smallpox. Other factors

accounting for the standstill in population growth include the practice of the most powerful Buddhist section in Tibet forbidding Lamas, who used to account for one-third of the Tibetan population, to marry and the old martial practice of allowing one woman to marry several men at the same time.

An important factor accounting for the rapid population growth in recent decades is that after Tibet was peacefully liberated in 1951, and especially after the democratic reform in 1959, the living conditions and medical treatment improved significantly for the Tibetan people, which means a lower death rate and a higher birth rate.

Take medical facilities for instance. From 1958 to 1986 in Tibet, the number of hospitals increased from 43 to 1,161, a 26-fold increase; the number of hospital beds for every 1,000 people increased from 0.15 to 2.46, a 15.4-fold increase; and the number of doctors for every 1,000 people increased from 0.2 to 3.45, a 16.3-fold increase. By comparison, the national figure for beds per-thousand people was 2.42 and for doctors per-thousand people was 3.32 in 1986, both lower than the figures for Tibet.

Moreover, Tibet is the only provincial area in China that offers free medical treatment for all.

In short, the book is full of such well-grounded arguments.

In anticipation that opponents might attribute the population growth in Tibet to large-scale immigration by the Han people, Zhang had a special section written for the book—the nationality composition of the population in Tibet. Actually, there were only 92,000 Han people in Tibet in 1982, about 4.8 percent of the total population in Tibet. In 1986, the figure was reduced to 73,000, as many returned to other parts of the country, resulting in a 3.6 percent decline.

In the interview with CHINA DAILY, Zhang stressed that the Han people in Tibet are mostly there to help the region on construction projects. Meanwhile, many Tibetans are working or studying in other parts of the country. This is best, for in modern times even a province must not close itself to the outside world.

It is appreciated that the book also adds the author's comments on the new problem of the Tibetan population growth. He said that while rapid population growth so far has been good for a nationality that for centuries saw its population growth slowing or even declining, it is better for it in the long run to exercise a moderate control on the population growth by family planning.

One problem with the book is that although it has just been published and was put on sale very recently, it was actually finished in 1987, and has had an extremely long publishing cycle. The book to some extent is not up-to-date.

Zhang said he has completed a monograph recently on the changes in the population of Tibetan nationality throughout the country. We expect that this will bring us the latest research results.

Northeast Region

Heilongjiang Achieves Trade Revenue Goal

SK0302095490 Harbin Heilongjiang Provincial Service in Mandarin 2200 GMT 1 Feb 90

[Text] In 1989, when our country's foreign economic relations and trade were confronted with numerous difficulties, Heilongjiang Province depended on the in-depth reform of the foreign trade structure to mobilize the initiative of all fields. In the foreign exchange revenues earned from foreign trade and exports, the province realized the fighting goal of topping $1 billion set by the provincial government at the beginning of 1989. In addition, the province overfulfilled by 20 percent the export target assigned by the state, an increase of 9.4 percent over the 1988 figure, or an all-time high.

Heilongjiang Enterprises Report 1989 Growth

SK1602051390 Harbin Heilongjiang Provincial Service in Mandarin 1000 GMT 12 Feb 90

[Summary] In 1989, despite the shortages of funds, energy resources, and transport capacity, and despite the increased prices of means of production, and market slump, town and township enterprises throughout the province maintained a trend of steady development. The major indicator lies in the simultaneous increases in growth rate and efficiency. In 1989, town and township enterprises throughout the province fulfilled 13 billion yuan in total output value, an increase of 18.8 percent over the previous year; and realized 12 billion yuan in total revenues, an increase of 17.7 percent.

Heilongjiang's Daqing Oilfield Sets Targets

OW0802220390 Beijing XINHUA in English 1446 GMT 7 Feb 90

[Text] Beijing, February 7 (XINHUA)—The Daqing Oilfield, China's largest, has set a target for the next 10 years to pump 365 million bbl of crude oil annually.

Wang Deming, general engineer of the oilfield, revealed this at the ongoing national conference on technological advance in enterprises.

Wang said that Daqing has allocated 50 million yuan for the development of technology each year and another 15 million yuan specially to promote the use of new technology.

He said that, in the light of the country's policy of improving the economic environment, Daqing has strengthened the regulation and administration of the enterprise and speeded up its renewal and transformation of technology.

Daqing, the biggest oilfield in China, was put into operation in 1960 and has maintained its output at over 365 million bbl of crude oil since 1976. It hit 400 million bbl last year, some 40 percent of the country's total output.

By the end of last September, Daqing had produced an accumulative total of 7.3 billion bbl of crude oil and had turned over 77.9 billion yuan to the state. It has exported 1.46 billion bbl of crude oil, over three-fourths of the country's total oil exports.

Heilongjiang To Improve Farm Machinery Management

OW1601225290 Beijing XINHUA in English 1308 GMT 16 Jan 90

[Text] Harbin, January 16 (XINHUA)—Northeast China's Heilongjiang Province is taking measures to improve the management of farm machinery, Vice-Governor Dai Moan said here today.

One of China's important commodity grain producers, Heilongjiang boasts 8.6 million hectares of arable land, nearly one-tenth of the country's total. As farmland averages 0.3 hectares per capita, farm machinery plays an important role in agriculture, Dai said.

The province now has 24,000 large tractors, 13 percent of the national figure. Farm machinery is used for 50 percent of the ploughing and 70 percent of field management operations.

The province spent 1.8 billion yuan on farm machinery between 1952 and 1983. Since 1983, total investment in farm machinery was 1.3 billion yuan, with 95 percent from private investment by farmers.

Dai said a drastic change has taken place in the management of farm machinery since 1983, when his province began implementing the household responsibility system in agricultural production.

As a result, about 70 percent of the farm machines are now operated by farmers individually. The rest are operated by the state and collectives.

This new pattern has aroused the enthusiasm of farmers for farm mechanization, but it has also caused some problems, Dai said.

The small contracted plots of land are not suitable for the operation of large machines, and the replacement of old machines has been delayed.

According to Dai, the provincial government has decided on several measures to solve these problems.

The contract responsibility system will be further implemented in state and collective units that operate farm machinery, and efforts will be made to help individual farmers use their machines more efficiently. If farmers cannot afford to operate their machines well, they may sell them to the collectives.

Beginning this year, the provincial government will allocate 10 million yuan for the replacement of outdated farm machinery and offer subsidies for repairs.

A farm machinery service network will be set up throughout the province to promote unified large-scale operations on contracted plots of land to coordinate the interests of machine owners and users.

The provincial government has also worked out preferential policies for the manufacture of farm machinery.

Heilongjiang Leader Discusses Farm Mechanization

SK2101082090 Harbin Heilongjiang Provincial Service in Mandarin 1000 GMT 17 Jan 90

[Text] Provincial Vice Governor Dai Moan pointed out at today's provincial conference on farm mechanization that an important reason why our province's grain production has been restricted is that we have failed for many years in deep plowing, in loosening the soil, and in creating a good environment for the soil.

Dai Moan said: The current power of our province's farm machines has reached 8.44 million kilowatts, an increase of more than 50 percent over 1982's amount. In particular, the number of small tractors has increased by 6.2 times since 1982. Farm machines have played an important role in promoting the grain production of our province. However, new problems have also cropped up. The major one is the aging of large tractors. This plus the small scale of the plots under management prevents large farm machines from fully developing their role, thus resulting in a decline in the acreage of deeply plowed farmland, a more shallow cultivated layer, and hard slab fields.

Dai Moan urged that in two to three years, all localities should deeply plow and loosen the soil of the farmland throughout the province, which has not been deeply plowed for more than three years, and that by 1992 a farming system combining plowing, loosening of soil, and harrowing should be established, with loosening of the soil as the major method. Dai Moan pointed out: Farm mechanization should serve the purpose of developing agriculture through science and technology, and it aims at achieving high yields in large areas of the four major grain crops. Thus the advantage of mechanization can be fully developed, and our province's grain production can be brought up to a new stage.

Dai Moan said: The popularization of the mechanized method of cultivation is an important measure to achieve high yields in large areas of the four major crops. All the advanced technology for increasing production should be combined in a scientific way to serve the purpose of achieving high yields and fulfilling the bumper harvest plan.

In speaking on agricultural development, Dai Moan stressed: Our province has great potential to increase agricultural production, and agricultural development

cannot be separated from mechanization. The province's 50 million mu of farmland, which is of low- and medium-yield due to structural reasons, should be transformed through farm mechanization.

At the conference, Provincial Vice Governor Dai Moan also spoke on the farm machines management forms, the relationship between household contracts and the development of farm mechanization, and the establishment of farm machine service systems.

Heilongjiang Improves Vegetable Supply

OW1601225190 Beijing XINHUA in English 0816 GMT 16 Jan 90

[Text] Harbin, January 16 (XINHUA)—People at northeast China's Heilongjiang Province are now able to eat fresh vegetables like tomatoes, cucumbers and green beans in winter.

Last year, its ten cities' per capita consumption of vegetables reached one half kilogram on an average each day.

Heilongjiang has a long winter and short summer and its frost-free period is between 90 to 120 days.

Under such bad natural conditions, local people usually have no fresh vegetables to eat in winter.

Since 1985 when the province put a lot of investment to set up quite a few production bases at and outside the province to grow vegetables, the situation has been much improved.

In addition, the province also import some vegetables from other provinces so as to alleviate the shortage of vegetables according to a local official.

Jilin Reports 1989 Revenues

SK2101122090 Changchun Jilin Provincial Service in Mandarin 2200 GMT 15 Jan 90

[Summary] According to the statistical data revealed at the provincial planning and financial work conference, the province's financial revenues in 1989 reached 4.918 billion yuan, a 661.13 million yuan increase over 1988 and a 12.4 percent increase calculated in term of comparable items. The province's financial spendings reached 6666.32 million yuan, a 675.08 million yuan increase over 1988 and a 10.4 percent increase over the net spendings of 1988, accounting for 89.5 percent in the readjusted financial plan. Thus, the province has continuously maintained a balance between financial revenues and expenses over the past seven years.

Jilin Reports 1989 Industrial Output Value

SK2101122490 Changchun Jilin Provincial Service in Mandarin 1030 GMT 14 Jan 90

[Summary] According to the preliminary statistical data provided by the provincial statistics bureau, the industrial enterprises at or above the township level throughout the province realized 31.873 billion yuan in their total output value in 1989, a 4.4 percent increase over 1988. Of this increase, that of light industrial enterprises showed a 5.1 percent increase over 1988 and that of heavy industrial enterprises showed a 3.9 percent increase over 1988. The state-run industrial enterprises in the province realized 23.759 billion yuan in their total output value in 1989, a 2.6 percent increase over 1988.

Jilin Reports Rural Economic Growth

SK2301001890 Changchun Jilin Provincial Service in Mandarin 1030 GMT 19 Jan 90

[Summary] Despite the serious natural disasters in 1989, Jilin Province achieved gratifying results in developing the rural economy. The grain output reached 13.515 kg of grain. The vast number of peasants handed over 6.75 billion kg of commodity grain to the state. The per capita income of the peasants was expected to reach about 600 yuan, and the rural savings desposits increased by more than 30 percent over the previous year.

Last year, the province realized the target of being self-sufficient in pork supply, and set records in the number of cattle, sheep, and poultry, and the annual livestock output value.

The total diversified economic output value was expected to reach 3.9 billion yuan. The total output value realized by town and township enterprises reached 12.6 billion yuan, an increase of 15.3 percent over the preceding year; and these enterprises created 1.92 billion yuan of profits taxes.

Jilin Province Overfulfills Tax Collection Plans

SK0302104490 Changchun Jilin Provincial Service in Mandarin 2200 GMT 31 Jan 90

[Summary] In 1989, Jilin Province steadily increased its tax revenues, overfulfilling the state assigned industrial and commercial tax collection plan. The taxes collected by the provincial tax departments reached 5,849,440,000 yuan, which was 4.7 precent of the annual plan, an increase of 695.4 million yuan, or an increase of 13.5 percent over the previous year. Of this sum, the industrial and commercial taxes reached 4,370,340,000 yuan. The overfulfillment of the tax collection plan has played an active role in balancing Jilin Province's financial revenues and in promoting the development of all the production and construction undertakings.

Jilin's Changchun Oilfield Reports Production

SK1302065790 Changchun Jilin Provincial Service in Mandarin 1030 GMT 6 Feb 90

[Text] Another city of petroleum, the Changchun Oilfield, has been established in Shuangyang County in Changchun City. This oilfield is the latest petroleum production base of our province. After 1 and ½ years' construction, the annual production capacity of this oilfield has developed to 590,000 tons thus far.

Construction of this oilfield began in August 1988. At the critical moment when the state was badly in need of energy resources, the Jilin Oilfield volunteered to share the country's burdens by organizing more than 3,000 workers to hurriedly build the Changchun Oilfield. After more than 500 days of arduous and valiant struggle, the ground construction of this oilfield has already been basically completed. At present, this oilfield is able to produce 2,000 tons of crude oil per day and has produced a total of 550,000 tons of crude oil accumulatively. The construction of the Changchun Oilfield has helped relieve the province's shortage of energy resources.

Liaoning Publishes 1989 Economic Statistics

SK2202033190 Shenyang Liaoning Provincial Service in Mandarin 1030 GMT 8 Feb 90

[Text] Today, the provincial Statistical Bureau published the 1989 situation on the provincial economic development. The statistical figures show that in 1989, satisfactory results were achieved initially in the province's implementation of the principles of improving the economic environment, rectifying the economic order, and deepening the reform; the contradictions between the total supply and the total demand were relieved somewhat; and the province's national economy as a whole was developing towards a good orientation.

According to preliminary statistics, in 1989 the province's GNP was 95 billion yuan, and the national income was 77 billion yuan, registering an increase of 3.5 percent and three percent, respectively, over the 1988 figures, if calculated in terms of comparable prices. Calculated in terms of constant prices, the total industrial and agricultural output value amounted to 119.72 billion yuan, registering an increase of 4.9 percent over the previous year. In 1989, our province's agriculture was hit by major natural calamities, which seriously affected grain production. The provincial total grain output in 1989 reached 10.182 million tons, a drop of 20 percent from the 1988 figure. However, increases occurred in varying degrees in other trades from the countryside. Calculated in terms of present prices, the total product of the rural society increased by 11.1 percent over the previous year. In industrial production, an appropriate increase rate was maintained, despite the shortages of energy resources, transport capacity, and funds. The total output value of industries at or above the town or township level reached 90.51 billion yuan, an increase of 4.1 percent over 1988. By the end of 1989, savings deposits of urban and rural residents throughout the province amounted to 34.53 billion yuan, 8.88 billion yuan more than the 1988 figure, or an increase of 34.6 percent.

The urban and rural markets were relatively stable, the market order was improved, and the upward trend of prices subsided month after month. In 1989, the general level of retail sales prices rose by 18.4 percent over 1988's level, or lower than the 1988 price increase scale by 0.9 of a percentage point. The prices of major foodstuffs closely related to the lives of the people were put under control; and the prices of some expensive and durable consumer goods and of some light and textile industrial products whose prices were decontrolled declined to some extent.

In 1989, the province's economic relations, foreign trade, and technological exchanges continued to expand. The total value of commodities procured for foreign trade and export topped 10 billion yuan for the first time. The total volume of import and export amounted to $5.334 billion, an increase of 20.1 percent over the previous year.

In 1989, the development of the province's economy also met with prominent problems. Throughout the year, the industrial growth slowed on a large scale, and the enterprises' economic efficiency declined remarkably. The profits taxs realized by state-owned industrial enterprises covered by the provincial budget decreased by 0.4 percent from the 1988 figure. Beginning from the second half of 1989, a slump situation emerged on the markets of consumer goods and gradually spread from expensive durable consumer goods to ordinary industrial products for daily use.

Liaoning Reports 1989 Industrial Output Value

SK2601135490 Shenyang Liaoning Provincial Service in Mandarin 1030 GMT 25 Jan 90

[Summary] The total output value realized by industries at or above the township level across the province reached 905 million yuan in 1989, showing an increase of 4.1 percent over the previous year; and the output value of export industrial products reached 8.066 billion yuan, an increase of 12.7 percent over the previous year.

Liaoning Technical Exports Reach $70 Million

OW2002045890 Beijing XINHUA in English 0721 GMT 19 Feb 90

[Text] Shenyang, February 19 (XINHUA)—Northeast China's Liaoning Province, the country's leading heavy industrial area, exported 70 million U.S. dollars-worth of technology last year.

The technical products were sold to 22 countries and regions in Southeast Asia, the Middle East and South America.

Li Zhicai, head of the technical export division of the Provincial Foreign Economic Relations and Trade Committee, said that among the exported technology, the best received on international markets are rubber production equipment, corrugated paper production technology and equipment, hydraulic equipment production lines and radio assembly lines.

The province's technical exports this year are expected to reach 100 million U.S. dollars.

Liaoning Fulfills 1989 Grain Delivery Task

SK2202020190 Shenyang LIAONING RIBAO in Chinese 22 Dec 89 p 1

[Text] This year, a year with numerous calamities, peasants of various localities in Liaoning Province have enthusiastically delivered and sold grain to the state. As of 17 December, the whole province fulfilled the 1989 task for contract purchase of grain, a month earlier than last year.

This year, Liaoning Province witnessed consecutive droughts, the severity of which has been seldom seen over the past 80 years, and thus grain output declined by about 20 percent. However, the cadres and the masses have still positively delivered and sold contract grain to the state by taking the interest of the whole into account. Thus far, the province has laid up a total of 2.639 million tons of contract grain, fulfilling this year's target by 100.4 percent.

Taiwan Investments in Liaoning Increase

SK1102073190 Shenyang Liaoning Provincial Service in Mandarin 1030 GMT 9 Feb 90

[Summary] The 1989 number of Taiwan compatriots who came to Liaoning Province to visit their relatives and friends, to tour the sights, and to have trade talks reached more than 9,570, an increase of more than 30 percent over 1988's figure. At present, the province has 43 enterprises run with the funds from Taiwan, and the total volume of investments has reached $40.38 million. Of these enterprises, 27 were newly opened in 1989.

Liaoning City Attracts More Foreign Investment

OW1002233790 Beijing XINHUA in English 1445 GMT 10 Feb 90

[Text] Shenyang, Febuary 10 (XINHUA)—The number of foreign-funded enterprises in Anshan City, in northeast China's Liaoning Province reached 40 last year, with a total investment of 59.468 million U.S. dollars, as compared with only 19 in 1988.

Last year the city made use of 19.228 million U.S. dollars in foreign investment, and the number of operational foreign-funded enterprises was 16 compared to the previous seven. Another five enterprises were recently put into operation.

Last year foreign-funded enterprises achieved a total output value of 64 million yuan (about 13.6 million U.S. dollars).

These enterprises earned 8.7 million U.S. dollars from exports last year and achieved a balance of foreign exchange.

Foreign-funded enterprises in anshan are mainly involved in the metallurgical, textile, chemical and light industries, and their products are mainly for export.

Before 1987 most of the outside enterprises were Hong Kong-funded. But since 1988 the city has attracted investment from Japan, Canada, Australia, West Germany, France, Brazil and Taiwan.

The number of Taiwan-funded enterprises was five last year as compared with one in the previous year.

Liaoning Capital Increases Exports in 1989

OW1402193990 Beijing XINHUA in English 0848 GMT 14 Feb 90

[Text] Shenyang, February 14 (XINHUA)—Exports of Shenyang, capital of Liaoning Province, exceeded 200 million U.S. dollars in 1989, a 17.5 percent increase over the previous year's figure.

The city has spent 26.17 million yuan on building 88 export production centers in recent years. It has also adjusted its export commodity mix, and finished manufactured goods represented 80 percent of the total exports.

Last year Shenyang approved 75 foreign-funded projects with an accumulated contractural investment of 78 million U.S. dollars, 12.2 percent more than in the previous year.

The city has 120 foreign-funded enterprises in operation. The value of their output last year was 300 million yuan, with profits of 60 million yuan, representing increases of 2.8 times and 5.6 times respectively on the figures for the previous year.

Shenyang also held a successful fair on the theme of international economic and technological co-operation. It signed 70 agreements worth 400 million U.S. dollars of investment, including 110 million U.S. dollars of foreign funds.

Liaoning Expands Machinery Export Earnings

OW0802225490 Beijing XINHUA in English 1448 GMT 8 Feb 90

[Text] Shenyang, February 8 (XINHUA)—Liaoning Province, northeast China, earned 854 million yuan from machinery exports last year, an increase of 11.27 percent over the figure for the previous year, and is expected to earn 1000 million yuan this year.

Announcing this today, Chen Guoqing, director of the provincial committee of the machine-building industry, said machinery exports last year hit a record high and fulfilled the target ahead of schedule.

Liaoning Province is China's machinery-building base. It was built in the 1950's and boasts modern equipment and experienced personnel.

New Oil Deposits Found in Liaoning Oil Field

HK0401083990 Beijing ZHONGGUO XINWEN SHE in Chinese 0724 GMT 29 Dec 89

[Text] Shenyang, 29 Dec (ZHONGGUO XINWEN SHE)—Vast stretches of oil-bearing land have recently been discovered in Liaohe Oil Field, northeast China as a result of extensive exploration; oil reserves there amount to several billion tons. The discovery holds out heartening prospects for Liaohe Oil Field, the third of the large oil fields in China.

As one of China's three large oil bases, standing side by side with Daqing and Shengli Oil Fields, Liaohe Oil Field is in an upward stage of exploitation with an annual output of 13 million tons of crude oil. The vast stretches of oil-bearing land which have been discovered are of special significance for the large oil field as they have laid the foundation for its sustained development.

Liaohe Oil Field spent 300 million yuan this year on prospecting large plots of land along the Liao He, discovering several oil deposits within the area of Liaohe Oil Field, and adding 100 million tons of deposits. This has verified a previous correct judgment that there is oil in the middle sections of oil layers. At the same time, an oil layer of the mesozoic group has also been found in the north of the Waiguo area. This proves that the five geological structures of the mesozoic group in Xinmin, Tieling, Changtu, Fuxin, and the left side of Kalaqin in the north and west of Liaoning Province also comprise a large oil-bearing formation.

Experts have inferred from prospecting data that there is an oil-bearing zone covering 3,400 square km in Bohai Oil Field close to Liaodong Bay, and that its oil deposits amount to several billion tons at least. This has opened up new prospects for the development and exploitation of Liaohe Oil Field.

Liaoning Completes Cotton Purchasing Task

SK0302092990 Shenyang Liaoning Provincial Service in Mandarin 1030 GMT 2 Feb 90

[Summary] Liaoning Province has basically completed its cotton purchasing task. As of the end of December 1989, the whole province had purchased 112,000 dan of cotton, an increase of 30,000 dan over the same period of the previous year. About 87 percent of the cotton was good in quality.

Liaoning Reports Birth Control Achievements

SK3001065790 Shenyang Liaoning Provincial Service in Mandarin 1030 GMT 27 Jan 90

[Summary] In 1989, Liaoning Province's new births reached around 580,000, a 9.4 percent decrease by means of the birth control plan. Its birth rate showed a 1.5 percentage point decrease compared to 1988 and its natural population growth rate showed a 1.6 percent decrease compared to 1988.

The province's birth situation in the 1990's is very serious because the third peak of new births will be in this 10-year period. According to statistics, the number of fertile women across the province in 1988 was 10,590,000, and the number in 1997 is expected to reach 12 million. During the Eighth Five-Year Plan period, the average number of birth is around 630,000 annually and the province's yearly average population growth is a little higher than 10 per thousand.

According to statistics compiled by the experts concerned, the province's current population has greatly surpassed the social and economic capabilities and has become one of great obstacles in building the modernization. During the 1949-1988 period, the province's population increase reached nearly 20 million, and its per-capita farmland acreage decreased from 3.88 square meters in 1949 to 1.36 square meters in 1988. Therefore, in 1990 we should vigorously carry out education on birth control and on the country's conditions and policies among the people and publicize in a big way the importance of birth control and the state basic policy decision on farily planning. We should also have the people throughout the province make contributions to making a good start in family planning work in the first year of the 1990's.

Northwest Region

Gansu Develops Nonferrous Metal Industry

HK2401065990 Lanzhou Gansu Provincial Service in Mandarin 1030 GMT 21 Jan 90

[Excerpt] The province's nonferrous metal industry has developed steadily and soundly for 6 years running.

In spite of tremendous difficulties in the supply of funds, raw materials, energy, and transport in 1989, more than 110,000 workers fighting on the nonferrous metal industry front spared no effort to overcome the difficulties. They produced 1.867 billion yuan in terms of gross output value, an increase of 5.6 percent over the previous year, and delivered about 600 million yuan of profits and taxes to the state, a rise of 9.29 percent over the previous year. [passage omitted]

Gansu Uses UN Aid To Improve Health Care

OW0501045690 Beijing XINHUA in English 0259 GMT 5 Jan 90

[Text] Lanzhou, January 5 (XINHUA)—Gansu Province in northwest China today began using 900,000 U.S. dollars provided by the Children's Fund and the Fund for Population Activities of the United Nations to improve health care for women and children in poor areas.

Li Daling, an official from the provincial department of public health, said that the two U.N. organizations granted China 20.5 million U.S. dollars last autumn to improve health care for women and children in 300 Chinese counties.

Health care for women and children is poor in Gansu, an economically underdeveloped province. The death rate for women during pregnancy and childbirth and infants in half of the province's 86 counties is higher than the national average.

The U.N. funds will be concentrated on the 18 counties believed to be the poorest in the province in health care for women and children, Li said.

The province will also provide each county with 500,000 yuan for the U.N. aided projects to help build health care networks for women and children, buy necessary facilities and train medical workers.

Ningxia Increases Coal Exports in 1989

OW1502213990 Beijing XINHUA in English 1428 GMT 15 Feb 90

[Text] Yinchuan, February 15 (XINHUA)—North-west China's Ningxia Hui Autonomous Region exported 330,000 tons of high-quality coal last year, 49 percent more than in 1988.

A local official said its earnings from foreign trade reached 22.27 million U.S. dollars, the highest ever recorded.

The coal the region produces, and which it has been exporting for 20 years, can be used as fuel for the metallurgical industry and as raw material for the chemical industry.

Cao Peiying, deputy-manager of the Ningxia branch of the China National Coal Import and Export Corporation, attributed the increased exports to improvements in transport.

He said the corporation's products are sold mainly to Belgium, France, Italy, Britain, Federal Germany and Japan. It plans to export more than 370,000 tons this year.

Ningxia Accelerates Agricultural Development

OW1002230890 Beijing XINHUA in English 0911 GMT 10 Feb 90

[Text] Yinchuan, February 10 (XINHUA)—Ningxia Hui Autonomous Region, a pastoral area in northwest China, had good grain, oil-bearing crop, sugarbeat, vegetable and fishery harvests in 1989.

According to the latest statistics, the region produced 1.77 billion kg of grain, 7 percent over the record year of 1988; 60.3 million kg of oil-bearing crops, an increase of 10.2 percent compared with 1988; 500,000 tons of sugarbeats, up by 7.1 percent; 9,000 tons of fish, up by 23.7 percent; and 300 million kg of vegetables.

Zhang Lizhi, director of the regional agricultural department, outlined several factors which contributed to the good harvest.

Agriculture was given top priority. Governments and Communist Party committees at all levels in the region worked out concrete measures to solve agricultural problems in early 1989 and increased investment in farm capital construction projects and agro-technology development.

The regional government announced that all policies concerning agriculture adopted by both the central and local governments in recent years will remain unchanged and be perfected in a bid to give farmers a sense of security and encourage them to manage and develop their land on a long-term basis.

A number of counties in the region succeeded in adopting a two-tier system in rural economic management—the household-based system of contracted responsibility with remuneration linked to output and a system of collective services.

Farmers were encouraged to form economic cooperation units, where they make rational combined use of labor, land, technology and equipment, grow crops under the region's overall crop distribution plan and conduct large scale farm capital construction projects. The new method will help give full play to both the enthusiasm of individual families and the superiority of the collective economy.

To arouse the enthusiasm of farmers for agriculture, especially grain production, the regional government reduced the amount of grain and edible oil to be purchased from farmers, raised the grain purchase price and at the same time allowed farmers to sell surplus grain and oil at a higher price when they had fulfilled the state purchasing quotas.

Scientific research institutes in the region were urged to gear their professional activity to agro-technology development and help increase grain output by popularizing modern scientific farming methods.

Nearly 4,000 agro-technicians signed contracts with local governments to provide technical services for agricultural and industrial production in rural areas.

They introduced modern farming methods to 320,000 farmers by running short-term training courses; conducted experiments in raising drought-resistant crops on 110,000 hectares of land and succeeded in getting consistantly high yields from these fields; applied fertilizer in a more efficient way they themselves had developed on 39,500 hectares of land; and eradicated plant diseases and insect pests on 566,600 hectares of land.

A regionwide mass campaign of farm capital construction was launched in a bid to improve the material and technical conditions for farm production and provide a sound basis for further development.

By pooling funds, the regional government completed high-lift water conservancy projects in four counties, exploited large tracts of wastelands, expanded the growing area for paddy rice and turned arid zones into irrigated fields.

During the slack winter season in 1989, local farmers levelled 198,000 hectares of farmland, applied chemical fertilizer to 179,000 hectares of land and accumulated adequate manure, guaranteeing that year's harvest.

Better service was provided before, during and after the production process.

The local government set up extension services to popularize agricultural technology and centers to supply high quality seeds and maintain farm machinery in almost all counties.

Qinghai Vice Governor Views Economic Development

HK0501033290 Xining Qinghai Provincial Service in Mandarin 2300 GMT 4 Jan 90

[Text] At the Qinghai Provincial Conference on Planning Work and the Qinghai Provincial Conference on Financial Work, which were held simultaneously in Xining yesterday, Bian Yaowu, vice governor of Qinghai Province, said that the entire economic situation of Qinghai Province in 1989 was characterized by both achievements and problems.

In summing up the achievements made by Qinghai Province in 1989, Vice Governor Bian Yaowu said that in 1989, Qinghai Province showed marked results in improving the economic environment, rectifying the economic order, and maintaining a sustained and steady growth of its provincial national economy. The entire economic situation of Qinghai Province was better than expected and was mainly manifested in the following aspects: 1) Qinghai Province reaped good agricultural and animal husbandry harvests, thus laying a solid foundation for the economic stability of Qinghai Province. In 1989, Qinghai Province's grain output reached an all-time high, the animal husbandry output approached the level of the previous year, and the year-end number of livestock kept in stock showed a slight increase over the previous year; 2) in 1989, Qinghai Province's industrial production maintained an appropriate growth. It is estimated that Qinghai Province's total industrial output value as listed in the provincial plan increased by 10 percent, compared with the previous year; 3) Qinghai Province's energy, raw material, and agriculture-related productions registered a sizable growth; 4) Qinghai Province also succeeded in curtailing the scale of her investment in fixed assets and in reducing her investment in fixed assets by 19 percent; 5) According to the state instructions, Qinghai Province also stopped or suspended the construction of a number of projects; 6) Qinghai Province successfully maintained a good market supply, and commodity prices in Qinghai Province also dropped a bit; 7) Qinghai Province's export trade volume topped $58 million, representing an increase of 27 percent over the previous year; 8) Qinghai Province also achieved remarkable successes in its financial work and in its credit and loan work. It is estimated that the local financial income of Qinghai Province in 1989 increased by over 20 percent, compared with the previous year.

After summing up the achievements made by Qinghai Province in its economic work, Vice Governor Bian Yaowu said that all the comrades concerned should neither underestimate nor overestimate the achievements. He added that the comrades comrades concerned should clearly understand that some basic factors that undermine the provincial economic stability and hinder the provincial economic development have yet to be tackled and eliminated. What merits the attention of all the comrades is that while furthering the campaign of improving the economic environment and rectifying the economic order, a number of new problems have cropped up, such as the weak market, the overstocking of industrial products, the increase of expenditure, and so on. All of these problems in combination have made things more difficult for furtherance of the campaign aimed at improving the economic environment and rectifying the economic order.

Vice Governor Bian Yaowu said that in view of the realities of Qinghai Province, Qinghai's planning and financial work in 1990 should mainly concentrate on the following aspects: 1) To further promote the provincial agricultural and animal husbandry development in the hope of realizing a steady growth in the production of grain, oil, oil crops, and major animal husbandry products; 2) to actively readjust product structure and increase economic results; 3) to make every possible endeavor to guarantee the supply of energy, raw materials, funds, and transportation to the production of key products and the key industries in accordance with the state industrial policies and with the state requirements on economic results; 4) to help the big and medium-sized enterprises solve their production-related problems and enable them to play the backbone role; 5) to do everything possible to smooth out the circulation channels, expand both the domestic and foreign trade, improve the

livelihood of the people, further improve the communications and transportation conditions, increase the production of energy, and further carry out the exploitation of resources; 6) to continue to strengthen market management and price control and check soaring prices in the hope of ensuring a sustained, steady, and coordinated development of the economy of Qinghai Province.

Reporter Views Shaanxi Economic Development

HK2501110890 Beijing RENMIN RIBAO in Chinese 17 Jan 90 p 1

[Report by Jing Xianfeng (2529 7145 1496): "Shaanxi's Economy Develops in a Coordinated Manner"]

[Text] Xian, 16 Jan—The authorities have replaced one-digit economic growth with two-digit financial growth [as received]; placed a firm grip on the economic improvement and rectification; succeeded in readjusting the industrial structure and tapping the latent power in a moderate pace; worked conscientiously and in a down-to-earth manner; raised economic returns by a large margin; and led a sustained, stable, and coordinated development of the national economy. The above is the basic assessment of Shaanxi's economic performance in 1989 that authoritative sources in the economic circles in Beijing made. The local cadres and masses believe that this comment conforms to reality.

Several new characteristics have emerged in the province's economic operations, mainly finding expression in the following:

The momentum of the over-inflated demand has been held in check. The size of investment in fixed assets by state-owned units has been reduced by 12.6 percent from the previous year. Supply has basically met demand.

The status of agriculture as the foundation of the national economy has been raised to a certain degree, and the peasants gathered a bumper harvest last year. The total grain output for the whole year chalked up 10.49 billion kg, increasing 8.5 percent over the previous year and hitting a record high. The annual per-capita income for peasants across the province came to 480 yuan, moving up by 18.8 percent from the previous year.

The excessive industrial growth has declined, and initial results have been achieved in the effort to readjust the industrial structure. The provincial industrial gross output value topped 31.1 billion yuan, showing an increase of 9.1 percent over the previous year, of which the industrial gross output value at and above the township level grew by 8 percent, surpassing the national average growth for the first time in many years.

The percentage of price rises has been brought down, and the market has become stable. Statistics show the percentage of price hikes dropped to five percent in December from 29.5 percent in January. Since August in particular the price index has been on the decrease every month at an average rate of four percent.

The financial and monetary situation has improved, and the capacity to earn foreign exchange has been further strengthened. Last year, the local financial income across the province registered 3.83 billion yuan, swelling 14.49 percent over the previous year, while more than 80 percent of the revenue was earned by industrial enterprises, indicating that Shaanxi's economic returns were 5.39 percent higher than the industrial growth last year.

While in 1988 the province supplied paper money to the amount of 1.592 billion yuan, it withdrew 28.74 million yuan last year. The province earned a total of $380 million in foreign exchange last year, over 12 percent more than in the previous year.

Shaanxi Controls Overheated Consumption in 1989

HK3001051690 Xian Shaanxi Provincial Service in Mandarin 0030 GMT 30 Jan 90

[Text] Last year, our province adopted measures to control consumption, which tended to overheat. By the end of last year, the province had basically changed the situation in which expenditures were greater than income in the preceding year, and the consumption structure had returned to normal.

According to the provincial investigation into the urban social economy, last year, urban residents' per capita income was 1,145 yuan, exceeding 1,000 yuan for the first time and recording an increase of 19.1 percent over the preceding year. It was the second year in the 10 years of reform that the increase in our province's residents' income was the highest. The residents' per capita living expenses were 1,065 yuan, an increase of 8.4 percent over the preceding year. Consumption [words indistinct] dropped from 27 percent in the preceding year to 8 percent, a drop of 19 percent in expenses and receipts on balance. The urban residents' expenses were 2.3 percent greater than their income in 1988, but their income was 7 percent greater than their expenses last year.

Xinjiang Enterprises Increase Profits in 1989

HK1802091390 Urumqi Xinjiang Regional Service in Mandarin 1230 GMT 15 Feb 90

[Text] According to statistics released by the Xinjiang Regional Finance Department, by the end of 1989 all the industrial enterprises directly under the Xinjiang Autonomous Regional People's Government had turned losses into profits and had realized profits and taxes totaling 620 million yuan, which accounted for one third of Xinjiang's financial revenue.

In the past, industrial enterprises directly under the regional people's government suffered heavy losses. In 1986, their losses totalled 29.711 million yuan, constituting a heavy burden on the regional finance. In 1986, the Xinjiang Autonomous Regional Planning Commission, Economic Commission, Financial Department, and four other regional departments jointly formulated measures aimed at gradually reducing losses of the

industrial enterprises directly under the regional people's government. They set a four-year target to turn losses into profits, thus putting more pressure on all the loss-making industrial enterprises in the region.

Aside from these measures, the regional authorities also adopted a series of preferential policies toward all the loss-making industrial enterprises in the region, thus greatly arousing the enthusiasm of these enterprises in turning their losses into profits. By implementing the contracted responsibility system, strengthening their own internal management, perfecting their labor composition, instituting an internal accounting system, and increasing their production of readily marketable products, all the industrial enterprises directly under the regional people's government finally succeeded in greatly invigorating themselves. Most of the formerly loss-making industrial enterprises in the region successfully managed to turn their losses into profits in 1989. For instance, Xinjiang Chemical Fertilizer Plant, the biggest loss-making enterprise in the region, suffered losses totaling 8.56 million yuan in 1986. After implementing the measures formulated by the regional authorities for turning losses into profits, the plant successfully eliminated its losses and earned profits totaling 1.58 million yuan. After embarking on the production of plate steel in 1985, Hejing Iron and Steel Plant suffered losses for several consecutive years. Thanks to the close cooperation of all the relevant departments, the Xinjiang Regional Finance Department provided 1.5 million yuan to the plant in a bid to help it transform its technological process. As a result, the plant successfully turned its losses into profits and earned a profit of 86,000 yuan for the first time in 1988.

Xinjiang Township, Town Enterprises Succeed

HK2002070490 Urumqi Xinjiang Regional Service in Mandarin 1230 GMT 16 Feb 90

[Excerpts] Township and town enterprises in our region produced in 1989 more than 2.275 billion yuan in terms of the gross output value, earned 224 million yuan of net profits, and delivered over 90 million yuan of tax to the state, representing an increase of 14.4 percent, 5.6 percent, and 18.6 percent, respectively, over the previous year. [passage omitted]

The policy of improving the economic environment and deepening the reform engendered favorable circumstances in 1989 to township and town enterprises in the region in improving their own quality and the quality of their products. [passage omitted]

Xinjiang Reviews Spark Plan Success

HK0602040190 Urumqi Xinjiang Regional Service in Mandarin 1230 GMT 5 Feb 90

[Text] The Spark Plan has made a contribution to the development of rural economy in the autonomous region. By the end of 1989, 220 projects were covered by the plan in the autonomous region, and 87,851 technical workers and management personnel were trained from among peasants and herdsmen. According to investigations made by relevant departments for the 83 projects covered by the Spark Plan, their annual production output value exceeded 100 million yuan, and their profits and tax reached 26 million yuan. They also earned foreign exchange profits to a sum of $500,000.

Since the implementation of the Spark Plan in the autonomous region in 1986, emphasis has been put on projects connected with the development of agriculture and animal husbandry. The autonomous region's strong points in resources, including cotton, animal husbandry, fruit, and melons, have been fully utilized. While mainly promoting the development of key projects covered by the Spark Plan, efforts were also exerted to speed up economic development at prefectural and county levels.

Supported by the State Science and Technological Commission and the regional people's government, relevant departments in the region have closely cooperated with one another to establish and improve the management system of the Spark Plan. They have speeded up technical improvement and standardization of the Spark Plan. In recent years, although funds are seriously insufficient, efforts have still been made in various quarters to raise funds for the Spark Plan. The accumulated loans for the Spark Plan have reached 150 million yuan. In the meantime, the training of qualified personnel in various forms has also been extensively conducted. A large number of technical and management personnel have been trained. This has significantly increased the quality of peasants and herdsmen, and workers of township and town enterprises. By the end of December 1989, 63 projects in the autonomous region covered by the Spark Plan had been checked and accepted by the state. Five of them won the state scientific and technological prizes, and 44 of them were awarded by the regional government.

Xinjiang Industrial, Agricultural Production Grow

OW2001081190 Beijing XINHUA in English 0140 GMT 20 Jan 90

[Text] Urumqi, January 20 (XINHUA)—Industry and agriculture both grew in the Xinjiang Uygur Autonomous Region last year, a regional official announced here today.

The output of grain was a record 6.15 million tons, up 90,000 tons over the previous year. Cotton output was 291,500 tons, up 13,000 tons. Sugar beet output was 1.03 million tons, the same as that of the previous year.

According to the official, the number of livestock in the region, one of China's five pastoral areas, reached 41.82 million last year.

The region's total agricultural output value last year was 6.8 billion yuan, up 5.4 percent over the previous year. Industrial output value was 11.8 billion yuan, up 9.5 percent.

Xinjiang Improves Financial Situation in 1989

HK2201070090 Urumqi Xinjiang Regional Service in Mandarin 2310 GMT 17 Jan 90

[Text] In 1989, the financial situation in the region was better than expected. The main marks were: The amount of money released for circulation decreased, and savings in banks greatly increased. Up to the end of last year, savings in the whole region increased by almost 1 billion yuan over the previous year, and bank loans were controlled within the state's scale of credit, while the structure of credit was initially adjusted. The situation of income and expenditure in foreign exchange was also good.

Mainland-Taiwan Trade Increases

OW1002003390 Beijing XINHUA in English 0833 GMT 9 Feb 90

[Text] Beijing, February 9 (XINHUA)—The trade between the Chinese mainland and Taiwan has been climbing steadily and is expected to top four billion U.S. dollars this year, XINHUA learned from an on-going conferece coordinating trade and economic relations across the Taiwan Strait.

Last year's trade volume totalled 3.7 billion U.S. dollars, as against 2.7 billion U.S. dollars in the previous year. The main exports from the mainland to Taiwan were herbal medicine, coal and mineral products.

Government officials ascribed the growth to more investment from Taiwan and the island province's growing export of machinery, chemical fibers, electronic devices and plastic materials to the mainalnd.

Up to now, Taiwan has invested 400 million U.S. dollars in more than 500 projects in the mainland, covering labor-intensive trades such as textiles, electrical machine assembly and toys.

However, Zheng Hongye, president of the China Council for the Promotion of International Trade, noted: "It is not direct trade, and, as such, it is not the best way to do it."

He expressed the hope that the two economic and commercial co-ordination committees on the mainland and in Taiwan will work together to promote exchanges and make contributions to direct trade across the Taiwan Strait.

1989 Trade, Economic Relations Statistics Given

Indirect PRC Trade

OW1302062490 Taipei CNA in English 0314 GMT 13 Feb 90

[Text] Taipei, Feb. 13 (CNA)—Indirect trade between the Republic of China on Taiwan and the Chinese mainland was estimated to have reached 3.5 billion U.S. dollars in 1989.

Trade between the two sides was 1.5 billion U.S. dollars in 1987 but surged to 2.7 billion U.S. dollars in 1988.

Sheu Ke-sheng, director general of the Board of Foreign Trade [BOFT], forecast a gradual growth in trade between Taiwan and mainland in the coming years.

The BOFT Monday permitted the import of another 59 mainland agricultural and industrial raw materials, bringing the total number of allowed import items to 151.

Southeast Asia

OW0402190290 Taipei CNA in English 1545 GMT 4 Jan 90

[Text] Taipei, Feb. 4 (CNA)—The nation's 1990 trade with Southeast Asia is expected to reach $21 billion, up 18 percent from 1989's figure, the Board of Foreign Trade [BOFT] said.

According to a BOFT estimate of the nation's trade with eight major world trading areas this year, exports to Southeast Asia will increase to $14.8 billion, up 19 percent from 1989; imports will reach $6.2 billion, up 17 percent, both outstripping the growth rate for trade with areas such as the United States, Japan and the [as received] Europe.

Trade with Europe should reach $20.4 billion, the BOFT estimated.

The BOFT attributed the massive growth of Southeast Asian trade to the huge ROC [Republic of China] investments being made in the area.

In recent years, the ROC investments in Thailand, Malaysia, Indonesia and the Philippines have topped those of other foreign countries.

The BOFT foresees expanded trade with Southeast Asia since the nations there are quickly becoming the new economic powers of Asia.

Non-EEC Trade

OW0302100690 Taipei CNA in English 1111 GMT 2 Feb 90

[Text] Taipei, Feb. 2 (CNA)—The ROC's [Republic of China's] overall trade with the non-European Economic Community countries in the January-December period last year was valued more than 3.12 billion U.S. dollars, officials of the Board of Foreign Trade said.

They also said that the total amount of bilateral trade with the non-EEC camp in the entire year of 1989 represented a proportion of 16.2 percent from the nation's whole trade value with Europe worth over 19.31 billion U.S. dollars.

The European transactions tallied an excess of 1.44 billion U.S. dollars or a growth of 8.1 percent against the value of 17.78 billion U.S. dollars carried out in the year of 1988.

According to the official statistics released by the private Euro-Asia Trade Organization and the Board of Foreign Trade, the top trade governing body here, the two-way trade deal with non-EEC sustained a boost of 250.9 million U.S. dollars for a growth of 8.7 percent.

In connection with the prices two years ago, the outbound shipments from the ROC to the non-EEC group and the inbound shipments to this country in the January-December months were listed more than 2.87 billion U.S. dollars.

Exports to non-EEC importers and manufacturing firms registered a total price tag of 1.29 billion U.S. dollars, increasing by 259.8 million U.S. dollars or a lift of 25.2 percent over 1.03 billion U.S. dollars in 1988.

As far as imports from the non-EEC suppliers were concerned, the ROC purchased goods totaling 1.83 billion U.S. dollars which posted a negative growth of 0.5 percent, or 8.9 million U.S. dollars less than the amount for the 1988 record.

A couple of years earlier, the non-EEC goods delivered to the ROC hit 1.84 billion U.S. dollars, the official tabulations showed.

Among the major trading partners in the non-EEC circle, Switzerland engaged in trade chalking up 1.13 billion U.S. dollars, accounting for 5.9 percent of the ROC's total trade with the European nations in the January-December period.

The two-way transactions were reduced by 166.1 million U.S. dollars or a fall of 12.8 percent from 1.30 billion U.S. dollars conducted two years ago.

Spain

OW0302141490 Taipei CNA in English 1122 GMT 3 Feb 90

[Text] Madrid, Feb. 3 (CNA)—The bilateral trade between the Republic of China [ROC] and Spain in 1989 totaled 714.3 million U.S. dollars, up 11.1 percent as compared with 1988.

Customs statistics show that the ROC's exports to Spain in 1989 reached 504.7 million U.S. dollars, up 12.8 [as received], while the imports amounted to 209.6 million U.S. dollars, up 7.4.

Trade imbalance between the two nations continued to increase, with the ROC enjoying a surplus of 295.1 million U.S. dollars, an increase of 16.8 percent from the previous year.

Iran, Iraq

OW0402065790 Taipei CNA in English 1420 GMT 3 Feb 90

[Text] Taipei, Feb. 3 (CNA)—Republic of China [ROC] exports to Iran and Iraq registered significant growth last year, the Board of Foreign Trade [BOFT] reported Saturday.

According to BOFT statistics, ROC exports to the Middle East totaled 1.43 billion U.S. dollars in 1989, down 2.8 percent from 1988; while imports from the increased 10 percent to 2.81 billion U.S. dollars. The ROC suffered a deficit of 1.38 billion U.S. dollars in its trade with Middle East countries.

BOFT officials pointed out that ROC exports to Iran, however, rose an impressive 103 percent in 1989 to reach 11 million U.S. dollars, and exports to Iraq also grew 13.5 percent to approach the 10 million U.S. dollar mark.

The officials noted that Iran and Iraq had great market potential as both countries were busy with infrastructure projects to repair the damage of their seven-year war.

Chile

OW2202043190 Taipei CNA in English 0244 GMT 22 Feb 90

[Text] Taipei, Feb. 22 (CNA)—Trade between the Republic of China [ROC] and Chile totaled 550 million U.S. dollars last year and Chile has emerged as the ROC's second largest trading partner in Latin America, the Board of Foreign Trade said Wednesday.

BOFT said that two-way trade between the ROC and Chile had increased rapidly each year in the past. The ROC had increased its imports of Chilean mining and agricultural products. From 1984 to 1989, the two-way trade has been in Chile's favor, and the ROC's trade deficit with Chile registered a record high of 320 million U.S. dollars in 1989.

The ROC exported mainly machinery, piece goods, yarns, video cassette tape recorders and radios to Chile.

BOFT predicted that bilateral trade between the two countries would continue growing as Chile's economy has performed well recently.

1990 Economic Growth Estimated at 7.27 Percent

OW1602204190 Taipei CNA in English 1540 GMT 16 Feb 90

[Text] Taipei, Feb. 16 (CNA)—The Republic of China's [ROC] 1990 economic growth rate is projected at 7.27 percent with per capita income reaching 8,434 U.S. dollars, the Directorate General of Budget, Accounting and Statistics [DGBAS] said Friday.

The nation's 1989 economic growth rate and per capita income were 7.18 percent and 7,509 U.S. dollars respectively.

DGBAS indicated that since 1986, ROC export competitiveness had declined significantly because of the new Taiwan dollar's continuing appreciation. Besides, the [word indistinct] devaluation of the mainland Chinese "renmibi" and the South Korean won late last year made it difficult for the nation to expand exports.

DGBAS forecast that the nation's quarterly economic growth rates in 1990 would be 7.41 perent, 6.96 percent, 7.32 percent and 7.36 percent.

Labor Official Details Manpower Shortage Problems

OW0502055490 Taipei CNA in English 0350 GMT 5 Feb 90

[Text] Taipei, Feb. 5 (CNA)—A labor shortage has caused some problems to the manufacturing structure and economic development in Taiwan, the Taiwan Provincial Department of Labor Affairs said Sunday.

A department official said the labor force for simple jobs has become inadequate, while the population of the service industry has been on the rise in recent years.

The official said the economic achievements in Taiwan over the past years were the results of sufficient labor resources and hard work by the laborers.

The department has taken some measures to curb the problems by helping provide job opportunities to laborers, offering training courses for workers in the construction industry, and encouraging housewives to join the working force, the official said.

China Shipbuilding Recovers With Naval Contract

OW0802041990 Taipei CNA in English 0240 GMT 8 Feb 88

[Text] Kaohsiung, Southern Taiwan, Feb. 8 (CNA)—Deficit-ridden China Shipbuilding Corp. [CSBC] is getting a fresh breath now that its construction of new Republic of China [ROC] Navy frigates is going smoothly.

Briefing a group of legislators, CSBC Chairman Luo Chi said that the first of eight Perry-class frigates would be delivered to the Navy in May 1993. The last one could be completed in 1999, he noted.

Members of the Legislative Yuan's National Defense Committee were inspecting the CSBC facilities in the company of Vice Defense Minister Chen Shou-shan and Navy Commander-in-Chief Adm. Yeh Chang-tung.

The total construction budget for the Navy's Perry-class warships, modeled on the U.S. PFG-59 frigate, will reach 130 billion New Taiwan dollars (5 billion U.S. dollars).

That amount will be of great help to China Shipbuilding, a state-run enterprise with a current cumulative deficit of 5.7 billion NT dollars (about U.S. dlrs 218.39 million).

Moreover, the Navy's decision to build its new generation of warships domestically should provide CSBC with a ten-year job opportunity, which should allow it to stabilize its financial situation.

Luo said CSBC already had orders for 9.6 billion NT dollars (U.S. dlrs 367.82 million) worth of ships, including those vessels already under construction. Now with the huge naval order, the corporation could see a balanced budget next year, he added.

Automobile Industry Policy To Be Liberalized

OW1501191890 Taipei CNA in English 1553 GMT 15 Jan 90

[Text] Taipei, Jan. 15 (CNA)—Economics Minister Chen Li-an said Monday that the Republic of China's automobile industry policy would be progressively liberalized in coming years.

The goverment's auto industry development program, which aims to give the local industry breathing space in the face of growing competition from imports, will expire next year.

As both the auto industry and consumers have been awaiting the government's next step, Chen said the industrial development bureau would submit an evaluation report by the end of this month.

Ranking bureau officials reportedly proposed pooling local car makers' production capacities or developing a big car manufacturing company in order to compete with foreign imports.

Other officials, however, were pessimistic about prospects for the country's auto-making industry, saying that efforts should instead be made to develop an auto parts industry.

Auto makers want the government to adopt a definite policy at an early date so they can update their investment plans. Consumers have been urging the government to further cut tariffs on imported cars.

Since the country is trying to become a contracting party to the General Agreement on Tariffs and Trade (GATT), it will have to cut import tariffs and drop its ban on car imports from certain countries.

Minister Chen said his ministry had not yet mapped out an auto industry policy for the coming years, but he was sure that it would be increasingly liberal.

Pressures from other countries will definitely force the government to liberalize the car market and reduce import duties, he said.

Power Company Predicts Shortages For 10 Years

OW1301043190 Taipei CNA in English 0245 GMT 13 Jan 90

[Text] Taipei, Jan. 13 (CNA)—Electricity supplies will very likely fall short of growing demand in the next years, Taiwan Power Company said Friday.

Taipower said power demand will grow from 14.39 million kilowatts to 26.52 million kilowatts, an annual average growth of 6 percent, between 1990 and 2000.

Even if the Executive Yuan approves all power development projects for the coming ten years, generating capacity will not meet the fast growing demand, Taipower said.

The state-run power supplier said that except for 1992 and 1993, reserve generating capacity for the other years of the decade will be lower than 10 percent—far below the 20-25 percent needed.

The Taichung Thermopower Plant is scheduled to begin commercial operations in 1992 and 1993, but even in those two years reserve capacity will only reach 11.8 percent and 10 percent respectively, Taipower said.

Other power development projects, however, are not progressing smoothly, and this casts a dark shadow over power supply prospects, it said.

For instance, land needed for the construction of the Suao Thermopower Plant has not yet been acquired, so that the plant's No. 1 and No. 2 generators will surely come on line after the scheduled dates of 1995 and 1996.

The plan to build the nation's fourth nuclear power plant cannot even be finalized because of "various disturbances," according to Taipower.

If these obstacles are not resolved soon enough, Taipower warned, the whole Taiwan area will face the constant threat of power shortages in the coming ten years.

Hong Kong

U.S. Economic Cooperation Committee Meeting Set

OW1901153590 Beijing XINHUA in English 1511 GMT 19 Jan 90

[Text] Hong Kong, January 19 (XINHUA)—The fifth joint plenary session of the Hong Kong-U.S. and U.S.-Hong Kong Economic Cooperation Committees has decided to hold the sixth plenary session in New York in 1991.

The committees were formed in 1984 with main objectives put on strengthening the economic and trade relationship between Hong Kong and the United States.

After their half-day session held here Thursday, a joint communique issued by the committees said members of the two committees exchanged views on a number of major economic issues concerning Hong Kong and the U.S. and discussed current developments in Hong Kong, as well as the bilateral trade.

It said the two committees also exchanged views on the effects of GATT (General Agreement on Tariffs and Trade) multilateral negotiations, the European single market and the developments in Eastern Europe on Hong Kong.

The U.S. committee briefed Hong Kong members on the current U.S. economic situation and opportunities for Hong Kong in market developments.

They reaffirmed their confidence in Hong Kong's ability to retain its role as a major financial, trading and manufacturing center in South East Asia.

The two committees also agreed that "Hong Kong's role as the gateway to China for the U.S. has not changed."

The latest statistics provided by the Hong Kong Trade Development Council show that in the first 11 months of 1989, the value of total trade between Hong Kong and the U.S. amounted to 174,576 million H.K. dollars (22,382 million U.S. dollars), up 18 percent over the corresponding period of 1988.

Hong Kong's domestic export to the U.S. in value terms was 65,947 million H.K. dollars (8,455 million U.S. dollars) which remained unchanged as compared with the figure of 1988.

Its re-exports to the U.S. rose by 48 percent to 65,990 million H.K. dollars (8,460 million U.S. dollars) while its imports from the U.S. increased by 13 percent to 42,639 million H.K. dollars (5,467 million U.S. dollars).

PRC Displays Exhibit at Tourism Exposition

OW1502214690 Beijing XINHUA in English 1514 GMT 15 Feb 90

[Text] Hong Kong, February 15 (XINHUA)—The 4th annual international tourism exposition of Asia, the largest of its kind in Hong Kong since 1986, opened at the convention and exhibition center here today.

Exhibitors from a record number of 50 countries and regions participated in the exposition. New comers include Czechoslovakia, Yugoslavia, Hungary, the Soviet Union and Poland.

The United States and China are this year's biggest exhibitors followed by Hong Kong, Canada, Italy, the Federal Republic of Germany, Scandinavia, Indonesia, South Korea and Spain.

The National Tourism Administration of China leads a delegation of 67 people from 27 units to take part in the exposition.

From 1978 to 1988, tourist arrivals to the Chinese mainland increased up to 16.3 percent annually and foreign currency earnings reached 1.16 billion U.S. dollars cumulatively.

The Hong Kong pavilion which houses local exhibitors such as airlines, hotels, travel agents, transport companies and tourist attractions is expected to attract worldwide attention as a unique tourist destination.

The latest technology is on show with the focus centered on the computer reservation systems, the most important development in the travel industry for many years.

Tunku Iskandar, president of the [word indistinct] Travel association, spoke at the opening ceremony with confidence on the future of Asia as a center for the travel and tourist industry.

PRC Co-Hosts Nonferrous Metals Trade Fair

OW1902230890 Beijing XINHUA in English 1542 GMT 19 Feb 90

[Text] Hong Kong, February 19 (XINHUA)—A key nonferrous metals trade fair of the Chinese mainland opened at the Hong Kong exhibition center here today.

The exhibition, to be open until February 20, is the sixth annual event sponsored chiefly by the China National Nonferrous Metals Import and Export Corporation (CNIEC), cosponsors include the Oriental Metals (Holdings) Company Ltd, and Da Hua Nonferrous Metals Company Ltd. in Hong Kong.

It is learned that the session in February last year, proved to be the most successful with its business volume valued at a total of 110 million U.S. dollars.

CNIEC was founded in 1984 and has now developed into one of the ten biggest specialized national trade corporations in China. Its annual import and export volume has outnumbered one billion U.S. dollars, of which Hong Kong and Macao regions take up 20 percent.

China's import market of nonferrous metals products include Australia, Latin America and Africa and its export market are mainly North America, Europe and Japan, Hong Kong, however, serves as a major marketing place. [punctuation as received]